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A comparative study of the impact of two state-led urbanisation strategies on the livelihoods of surplus rural labourers: case studies from Tianjin and Zhejiang in China

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**A comparative study of the impact of two state-led urbanisation strategies on the
livelihoods of surplus rural labourers: case studies from Tianjin and Zhejiang in
China**

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Abstract

This thesis compares the impact of two modes of state-led urbanisation on the livelihoods of resettled rural villagers with case studies from Tianjin and Zhejiang. In the ongoing debate over the path for rural development and human welfare in China, it is unclear whether to integrate the rural area into the urban area or whether to develop the rural economy independently. Based on eleven months of fieldwork with resettled villagers in Huaming Town (Tianjin), and Dongheng Village, Wusi Village and Qingyanliu Village (Zhejiang), this research analyses the two different livelihood patterns generated by the two antithetical approaches to rural development, the urban-integration approach and rural indigenous development approach. Focusing on villagers' capabilities, possession of assets and activities, this research examines the imbalances in rural resource redistribution at three levels, among social groups, between villages and across the rural-urban divide. This research shows that the urban-integration approach leads to a livelihood pattern which relies on rental income from ownership of properties, leaving unskilled farmers with very limited livelihood strategies; in contrast, the rural indigenous development approach creates a livelihood pattern with a balanced dependence on labour and ownership income, generating a diversified livelihood pattern for resettled farmers. Furthermore, this thesis raises deeper structural questions about the driving forces behind the land rights reforms, which release the liquidity from the rural farming land. It argues that the structure of incentives in the governance system, particularly at the village committee level, plays a key role in reorganising and redistributing rural resources; at the same time, having the space

and capacity for village intervention is also critical for the success of the rural development programme.

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Chapter 1 Introduction

1.1 Research background

During the last 30 years, China has experienced massive urbanisation. The urbanisation rate jumped from only 20% in 1990 to over 56% in 2015 and China now has over 100 cities of more than one million people (World Bank, 2016). Despite of the rapid urbanisation progress, China has no intention of slowing down the pace.

On 16 March 2014, China's State Council, the country's cabinet, released the National New Type Urbanisation Plan (2014-20). According to the plan, by 2020, 60 percent of the Chinese population will be urban residents, while 45 percent of the total population will be residents with urban *hukou* (户口 household registration). The extraordinary urbanisation rate can be attributed in part to the existing household registration system in China, which separates the entitlement of urban and rural residents such that rural migrants are not entitled to urban social welfare even if they work and live in cities. Currently, China's permanent urban residents account for 53.6 percent of the total population, while residents with city household registration make up only 36 percent of the total population (NDRC, 2016). To achieve the goal set in the National New Type Urbanisation Plan, China needs to raise its urbanisation rate in terms of permanent urban residents by 1 percentage point each year until 2020, and increase the urbanisation rate in terms of residents with city household registration by 1.5 percentage points. Therefore, during this period, about 100 million more rural people must move to cities. According to figures from the National Bureau of Statistics, at present, 260 million migrants are living and working in cities (Xinhua, 2014).

China's new urbanisation plan has five major targets: first, level and quality of urbanisation will be improved steadily; second, the layout of urbanization will be optimised; third, the pattern of urban development will become more scientific; fourth, living conditions in cities will be made harmonious and pleasant; fifth, systems and institutions of urbanisation will be continuously improved (National New-Type Urbanisation Plan 2014-20, 2014). With the key aspects of the new plan, including people, land and funds, as well as the long terms goal of changing the urban-rural dual structure, it is clear that the focus of the new urbanisation plan is on urban development, including its layout, systems, and mechanisms. The approach to development chosen by the central state is to integrate less developed areas into more developed areas, as part of the existing programme of "Building a New Socialist Countryside" (NSC) (*jianshe shehuizhuyi xin nongcun*, 建设社会主义新农村), a state priority since 2006. This strategy has raised intensive debate in which an opposing "New Rural Reconstruction" (NRR) (*xin xiangcun jianshe*, 新乡村建设) school of scholars, headed by Wen Tiejun, the dean of Renmin University, argues that integrating rural areas into urban areas puts the economically weaker rural area into a vulnerable position. Instead, according to Wen, the right path for rural development is limiting integration between rural and urban areas (Bloomberg, 2014).

Aside from the debate over these two approaches to state-led urbanisation, there seems to be a missing group in the policy. One specific point addressed by China's Vice Minister of Human Resources and Social Security, Yang Zhiming, is the rural-urban migrants: "We must make sure they are employed when they move into the cities, have training before they are employed and get paid for their jobs" (Bloomberg, 2014). The quotation from Zhang's

speech highlights that the Chinese central state's intentions with the new plan including migrants' access to employment, labour rights and interests, the development of their technical abilities, as well as their integration into enterprises, their children's integration into schools, their families into communities and the integration of their group as a whole into urban society.

However, given the large scale of the new urbanisation plan, many of those who move into cities will *not* be voluntary rural migrants but resettled farmers, the majority of whom did not choose to settle down in the city but moved by the state during the urbanisation of rural areas and the expansion of cities. Based on statistics from Chinese Academy of Social Science, there are 40 to 50 million landless farmers, making an important and sizeable group (Diplomat, 2013). Neglected by both state development pronouncements and by the existing academic literature, which focuses overwhelmingly on those who choose to migrate to the cities for work, these farmers often have neither urban skill-sets nor urban-related work experience. Given the considerable differences between urban and rural life in China, it remains unclear whether this population group is able to adapt to the urban lifestyle and makes a sustainable living in the city. Also, according to the state's plan, those moved to the city are supposed to benefit from the improved urban living conditions, but two related questions remain unanswered: first, whether the resettled farmers is able to obtain sufficient, sustainable incomes to support themselves; second, how they perceive themselves after resettlement and what are the implications for social stratification of the new urban communities.

1.2 Research question

Therefore, the main question this thesis seeks to answer is: What are the impacts of two different approaches to state-led urbanisation on the livelihoods of resettled rural farmers? The two approaches are, first, the NSC approach of developing the rural area by integrating it into the urban area, of which one example is the large-scale resettlement in Tianjin; and, second, the NRR approach of developing the countryside by investing in rural industries and rural areas, one example of which is the eco-economy in Zhejiang. This research conducts a comparative study of two Chinese provinces, Tianjin and Zhejiang, to examine the impact of rural development and urban expansion on the most vulnerable groups, rural farmers and their livelihoods. This also implies answering a range of secondary empirical and theoretical questions raised by the literature, which can help with formulating an answer. Specifically: first, who are the winners and losers in terms of post-resettlement livelihoods in each case study village? Second, what are the factors that affect and shape the post-resettlement outcomes in each village? Third, what are the drivers that formulate the factors and mechanisms affecting resettled villagers' livelihoods? Fourth, what is the impact of the changing pattern of means of living on resettled rural farmers' perception of their social status and the social stratification of their communities? The answers to these questions about the results of state-led urbanisation in the Chinese context relate to much broader questions about the nature of development in general, in terms of the intended targets of state development projects, and whether they should aim to benefit specifically the weakest social groups, for example poor farmers with no other skills, or if they should aim more generally at enhancing the economic development of the target area.

The focus of this research is Chinese farmers who were located in villages that underwent state-led urbanisation, under NSC and NRR modes to state-led urbanisation, based on 11 months of qualitative fieldwork conducted in four former and current villages in Tianjin and Zhejiang, . The majority of farmers interviewed were relocated from rural housing to a resettlement community, in either the rural or urban area. Depending on the sites, other interviewees also included villagers who were located in the fieldwork villages but not involved in the resettlement process. The thesis explicitly compares the NSC and NRR approaches throughout. The NSC approach was promulgated in the 11th Five-Year Plan (2016-2020) by the Hu Jintao and Wen Jiabao administration, aiming to modernise the countryside through marketisation, and is the official approach to state-led urbanisation established by the central state. In contrast, the NRR approach is embodied in the social movement “New Rural Reconstruction”, arguing that rural development should be based on limiting marketisation. The division is complicated by the fact that, without a formal policy guideline, some local states practice the NRR approach under the cover of the NSC approach.

The purpose of comparing the two modes of state intervention is to understand the relationship between the mode of state intervention and the implications on the livelihoods of different social groups. Given my interest in questions of livelihoods and development, I approach this topic through two bodies of literature that speak to these issues. The first is the sustainable rural livelihoods framework, much used in studies of agricultural development, which analyses farmers’ livelihoods from the perspective of capabilities, possession of assets and activities in obtaining income. The advantage of using this

sustainable rural livelihood framework in this research is that it embodies no prior requirement for the poor rural individual or family to be a 'small farmer', but takes an open-ended view of the combination of assets and activities that turn out to constitute a viable livelihood. The second area, development-induced displacement and resettlement (DIDR) and in particular Michael Cernea's Impoverishment, Risks and Reconstruction (IRR) model, is less a body of literature than a set of frameworks for empirical research, which addresses risks, stresses and shocks that emerge in the rural development process, focusing particularly on the role of state intervention in causing and tackling the risks, stresses and shocks.

As I will argue in the literature review that follows, the sustainable rural livelihood framework proves to be insufficient to capture all the complexities of the state-led urbanisation cases in China. Notwithstanding its useful insights about the livelihoods composition in rural area, the framework gives little weight to the formation process of livelihood components. In this regard, the development-induced displacement and resettlement (DIDR) approach and Michael Cernea's Impoverishment, Risks and Reconstruction (IRR) model offer the missing perspective of state intervention. However, these suffer their own problems. For example, the frameworks are not designed for urbanisation-induced development and resettlement per se and therefore require significant adaptation.

Both approaches encounter difficulties when applied to the context of the transitioning villages in China, particularly when it comes to study the implications of different state

approaches in the transitioning villages. During state-led urbanisation, some villages are resettled to the urban area while others remain in the countryside. For either of the scenarios, the context of livelihoods, and the key institutional mechanism, like labour market, land policies and village layout, are conditioned to change. It is the villagers' losses and gains of livelihood resources during the transition period, along with the further state-intervention after transition, that shape the livelihoods of resettled villagers in state-led urbanisation. Therefore, it is imperative to address how farmers' livelihoods are shaped the transforming institutional mechanisms, and how the latter is shaped by different approaches of state intervention. The complicated, multi-faceted and subtle differences between different state intervention approaches, which often happen during different stages of development, cannot be fully captured by frameworks generated to analyse the consequences of a single development event at a particular time point.

The insufficiency of using the sustainable rural livelihood framework or development frameworks alone in addressing the implications of state intervention on farmers' livelihoods in China, then, suggests that a combined approach might be needed to answer my research question. In light of these considerations, this research uses both the sustainable livelihoods framework and theoretical work on development-induced displacement and resettlement (DIDR), including Michael Cernea's Impoverishment, Risks and Reconstruction (IRR) model, in analysing the implementation of state intervention on livelihoods. By connecting the livelihood components to the specific mechanisms that accommodate them, for example the labour market, land-related policies and individual identity, this research identifies how livelihoods are shaped by institutional mechanisms that

are in transition; by connecting state interventions to those critical institutional mechanisms, this research further explains why the key institutional mechanisms transform in their peculiar ways, and thus explores the role of the state intervention in shaping the livelihoods of resettled farmers.

My reflection on the literature, analysed in Chapters 2 and 3, guided my choice of methods and the general direction of interviews. During my fieldwork it became clear that some questions were more important to my respondents than others, and that a comparison between villages in Zhejiang would illustrate the NRR model in a more thorough manner than a simple assessment of one village. Acknowledging suggestions from the interviewees, I therefore explored two additional villages in Zhejiang. Additionally, in both the interviews themselves and in the way I have analysed and presented my findings, I have focused on reflecting the similarities and differences between development models within the NRR approach as well as between NRR and NSC approaches. Particularly, I compare different social groups within one village, and compare the same social groups across villages in the same mode of state intervention, then between the different modes of state intervention in Tianjin and Zhejiang.

As indicated above, the analysis is at various levels including individual, household and village, thus the effects on social stratification are given prominence in Chapter 2, Chapter 6 and Chapter 8. Similarly, In Chapters 6 and 8 the effects of the transformation of the labour market and land-related policies on the livelihoods of resettled farmers in my case studies is discussed at length.

To explore further the driving forces behind the changing labour market, land related policies, Chapters 5 and 7 focus on the roles of local states, particularly the village committees, in shaping these mechanisms. The decision to explore the role of village committees through these specific lenses was based on their evident salience for residents. As the village committee itself is also a mechanism shaping redevelopment outcomes, Chapters 5 and 7 also discuss the cadre incentive system and its effects on the local state organisation structure.

In speaking to resettled farmers about their personal experiences of the urbanisation process, it became clear that questions of their changed perception of their own identity could not be left out of the analysis. Pursuing these lines of enquiry opened up fascinating new terrains of discussion, including questions of how the village layout, boundaries and redistribution of assets shape resettled people's self-perception. This helps us understand the changing class structure in China, and why rural social groups behave the way they do. To further this discussion, the empirical Chapters 6 and 8 also focus on how the resettlement process affect group behaviours and the social class structure in China.

A final concern relates to my position within the research process. As a native Mandarin speaker, I could understand the language spoken by interviewees. Nevertheless, as an outsider of the rural communities where I carried out the research, and the relatively short period of time spent in the supplementary Zhejiang villages of Wusi and Qingyanliu, my observations and interpretations of the conversations are unavoidably lacking in the nuanced cultural expertise that a person with rural origins would have understood. As for

my urban background and educational position, initially it was a challenge for me to identify the topics and use the language familiar to local villagers in their daily conversation. I tackled that challenge by initiating small talks with villagers and outside research interaction. I can only hope that any deficiencies are compensated for by one advantage an outsider of a community has; that is, a certain distance which allows me to make observations from a comparative perspective. Beyond this all I can offer are my fascination with the topic of rural development, a determination to understand the dynamics that drive it and the lives of the resettled farmers, and a desire to represent the words of my respondents as I believe they were intended.

1.3 Contribution to knowledge

The thesis's original contribution to scholarship is considerable, which lies in fourfold: empirical literature, conceptual understanding, methodology the theoretical framework.

First, this thesis augments empirical literature on China's urbanisation process by investigating an important but systematically understudied aspect of China's rapid urbanisation, the implications for livelihoods of displaced farmers and the livelihood in transition. This under-researched area is also policy relevance at local, national and global scales.

Second, at conceptual level, this thesis innovatively combines the theoretical insights of the sustainable livelihoods framework with the development-induced displacement and

resettlement, as well as impoverishment, risks and reconstruction models. Furthermore, this study represents the first attempt to apply this mutually complementary and sophisticated framework to analysing the specificities and complexities of China's rural and urban development contexts, as well as the interplay of multiple social dynamics related to livelihood sustainability and security of the resettled villagers. This not only expands the scope for discussion on urbanisation in China, but also the global development process.

Third, methodologically, this thesis is the first attempt to formulate a comparative case study method comparing and contrasting, as well as identifying commonalities and differences, strengths and weaknesses of two major urbanisation-driven development paradigms, i.e. the "Building the New Socialist Countryside" programme (termed as the "urban-integration approach"), and the "New Rural Reconstruction" initiative (termed as the "rural indigenous development approach") through protracted in-depth ethnographic field studies conducted in North and Southeast China (Tianjin and Zhejiang). The comparison between two development modes unveils the linkage between governance and individuals' livelihoods.

Fourth, this research broadens the theoretical framework by incorporating an overlooked dimension of governance through investigating the role of local states, in particular the village committee, in policy implementation, adaptation to local conditions and its dealings with other actors below (e.g. villagers) and above (e.g. upper-level authorities) in the process of displacement, resettlement, negotiations, rural/urban change and transformations. The thesis argues that on the one hand, the incentive structure of the

governance system has played a central role in reorganising and reallocating rural resources (the NSC model), while on the other, allowing space and capacity for village initiatives is crucial for the success of the rural development programme (the NRR model).

1.4 Thesis structure

Chapter 2 reviews the theoretical literature on the livelihoods framework and on social class for use in the empirical chapters which follow. It begins with a brief overview of the livelihoods framework and assessment of its strengths and weaknesses, situating my research with this theoretical framework. Then it moves to discuss the elements in the livelihood framework – capabilities, possession of assets and activities – as well as their characteristics and relations to each other, while highlighting livelihood stresses and shocks, as well as livelihood risks from the IRR approach. To understand what the impacts on individual and household livelihoods means for social groups and communities, particularly in the Chinese context, the second part of the chapter examines the development of social class in China with supplementary class theories based on western countries. The chapter ends by introducing the existing class structure in China, and the new social relations shaped by the state-led urbanisation, before the next chapter discusses the institutional mechanisms that shape livelihood components. This chapter provides an overarching theoretical foundation for empirical chapters 6 (on Tianjin) and 8 (on Zhejiang), which focus on how the resettlement process affect group behaviours and the social class structure in China.

Chapter 3 critically reviews the empirical literature on state-led urbanisation, including the generation of stress and shock under different modes of state interventions, as well as how they affect displaced people's strategies of coping with risks and restoring their livelihoods. It provides essential theoretical and empirical backgrounds for Chapter 5 (on Tianjin) and Chapter 7 (on Zhejiang), which compare the formulation of stress and shock with different styles of state intervention. In response, Chapter 6 (Tianjin) and Chapter 8 (Zhejiang) examine the reaction and coping strategies of resettled farmers. This chapter starts with the existing literature on state-led urbanisation, comparing different approaches to it and how the state in each approach engages with the rural development process. The second part of the chapter discusses the generation of stress and shock in the livelihood components – capabilities, assets and activities, focusing on how these are generated during the transition of the labour market, land ownership rights and the residential built environment. The last part of the chapter examines the motivation behind state interventions, particularly at village level, including the cadre promotion system at local state level.

Chapter 4 outlines the methodological approach I adopt to address the research questions, providing a detailed account of the research design and processes of data collection and analysis. This includes backgrounds of case study villages, justifications for the choice of fieldwork sites, access and engagement to interviewees, and data interpretation of the integrated use of qualitative and quantitative data. It is followed by a discussion on the subjectivity of the interviewer in the researcher-respondent relationship and other practical challenges faced during the fieldwork. The final section presents a critical analysis of case-based research and outlines my strategy for comparative analysis.

Chapter 5 focuses on the role of the state in the NSC approach to state urbanisation in Huaming town, Tianjin, paying special attention to the actions of local states at various levels. It analyses the existence, motivation, behaviour and implications of state intervention during state-led urbanisation. This chapter applies the development-induced displacement and resettlement (DIDR) framework to analyse shock; in terms of risks, this chapter utilises Cernea's impoverishment, risks and reconstruction (IRR) framework to the case of state-led urbanisation in Tianjin municipality. It examines the general risks mentioned in the framework in the context of urban resettlement communities; at the same time, it summarises the new risks, livelihood disruptions, stresses and shocks that are specific to the Chinese rural context as well as the ones that are unique to the NSC approach, followed by the description of the transition of the market mechanisms and analysis of how they affect the livelihoods of individual farmers and households.

Chapter 6 examines implications for the livelihoods of individuals and households with the NSC approach to state-led urbanisation process in Huaming town, Tianjin. It considers three inter-related questions: first, how individuals and households are affected by state-led urbanisation; second, the responses and strategies of individuals and households in overcoming the livelihoods threats; third, the effects of resettlement on the perception of resettled villagers, in terms of their self-perception, identity and fairness. To understand the livelihoods of resettled farmers under the NSC model fully, this chapter discusses how different social groups are affected by the transformation of each of their livelihood components. The first part of the chapter identifies the gains and losses of livelihood resources, followed by a discussion on the existing and new ways in which resettled

villagers' possess or lack capabilities to act on the new dynamics of the allocation and redistribution of assets. Along with the new redistribution of resources and the response from villagers, it also examines whether new types of social stratification are an implication of the post-resettlement livelihoods under the NSC approach to state-led urbanisation in Huaming town in Tianjin.

Parallel to Chapter 5 on Tianjin, **Chapter 7** discusses the role of the state in the NRR approach to state urbanisation in Dongheng, Wusi and Qingyanliu villages in Zhejiang Province, paying special attention to the actions of local states at various levels, and analysing the existence, motivation, behaviour and implications of state intervention. Both this chapter and the next focus on Zhejiang and the NRR approach to state-led urbanisation, in comparison to the study of Tianjin and the NSC approach in Chapters 5 and 6. This chapter argues that state intervention during the process has considerable impact on the livelihoods of villagers, especially interventions from different levels of the local states. Compared to the livelihood risks, shocks and stresses of the NSC model, where state intervention and the activities of resettled villagers did not effectively eliminate the threats, this chapter discusses whether there is a similar set of livelihood risks, shocks and stresses in the NRR approach, and whether the state intervention and villager activities serves to mitigate or increase the risks and threats to livelihoods.

Parallel to Chapter 6 on Tianjin, **Chapter 8** explores implications on for the livelihoods of individuals and households under the NRR approach in Zhejiang. It considers three inter-related questions: first, how the individuals and households are affected by the state-led

urbanisation process; second, the responses and strategies of individuals and households in overcoming the livelihoods threats; third, the effects of resettlement on the perception of resettled villagers, in terms of their self-perception, identity and fairness. To understand the livelihoods of resettled farmers under the NRR model fully, this chapter discusses how different social groups are affected by the transformation of each of their livelihood components. The first part of the chapter identifies the gains and losses of livelihood resources. Then the chapter moves on to examine the existing and new ways in which resettled villagers' possess or lack capabilities to act on the new dynamics of the allocation and redistribution of assets, along with the various patterns of activities and strategies that resettled villagers used in response to different livelihoods implications. It also examines whether new types of social stratification are an implication of the post-resettlement livelihoods under the NRR approach to state-led urbanisation, and compares the Zhejiang cases to Huaming town in Tianjin.

Chapter 9 draws together the key findings from the four previous chapters, to highlight similarities and differences between and within the NSC and NRR approaches in Tianjin and Zhejiang, as well as to suggest the broader implications of my research for Chinese urbanisation and for global issues in development. This final chapter reviews the livelihoods of different social groups with the NSC and NRR approaches, analysing who is better or worse off and connects this to the behaviours of different levels of local states. The first part of the chapter summarises the key findings on livelihoods of social groups in Tianjin and Zhejiang respectively; the second part compares the same social groups across Tianjin and Zhejiang to reveal the role of the village committee and the organisation of the local states

in eliminating livelihood risks and creating sustainable livelihoods; the last part focuses on the limitation of this research, as well as broader implications of this research in development studies, rural-urban studies and for future research. It concludes with a discussion of the possible future lines of enquiry that my findings open up.

Chapter 2 Livelihoods and Social Class in China: a critical review of the literature

2.1 Introduction

In order to understand the implications of different styles of state intervention on livelihoods, this research combines the rural sustainable livelihoods framework and two related development frameworks, development-induced displacement and resettlement (DIDR) and the risks and reconstruction model (IRR). This chapter reviews the first part of the theoretical literature, that of livelihood framework and social class where the displacement frameworks will be examined in the next chapter. The discussion on sustainable rural livelihood framework offers important insights into understanding the composition of individuals' and households' livelihoods. Concerning the implications for livelihoods, this chapter considers three inter-related questions: first, how individuals and households are affected by the state-led urbanisation process; second, the responses and strategies of individuals and households in overcoming livelihoods threats; third, the effects of resettlement on the perception of villagers, in terms of their self-perception, identity and fairness of resources redistribution.

The first part of this chapter examines the benefits and critiques of using the livelihood framework in analysing the development related issues. It assesses the strength and weakness of the framework, as well as its connection to the specific topic of my research.

While acknowledging this important contribution, this chapter argues that in the contemporary Chinese rural development various other contextual factors must also be

taken into account, including how the livelihood risks, stresses and shocks are created in a context of transition, for example in a rural development and state-led urbanisation process.

The second part of the chapter turns to components in the livelihood framework, including capabilities, possession of assets and activities, in particular their characteristics and relation to each other, which highlights the dimensions and unique features of the components.

Although the sustainable rural livelihood framework provides an open-ended framework for this research to understand a group of resettled farmers with various backgrounds, the framework does not deepen the discussion on the formation of the livelihood components particularly in a transitional context with risks, stresses and shocks and the implications of state intervention. To further this discussion, the next chapter will discuss how the livelihood components are shaped based on the new layout of the residential community, labour market, land rights, governance system and the resources redistribution mechanisms.

Before moving on to the implications for social groups and communities, this chapter discusses livelihood sustainability, which looks at individuals' ability to cope with the stress and shock generated in the transition of the livelihood setting, subjected to the set of opportunities and constraints. The last part of the chapter attempts to understand what the impacts on individual and household livelihood means to the establishment of social groups and communities, particularly in the Chinese context, examining social class in China as well as supplementary class theories derived from western countries.

2.2 Livelihood framework and rural development

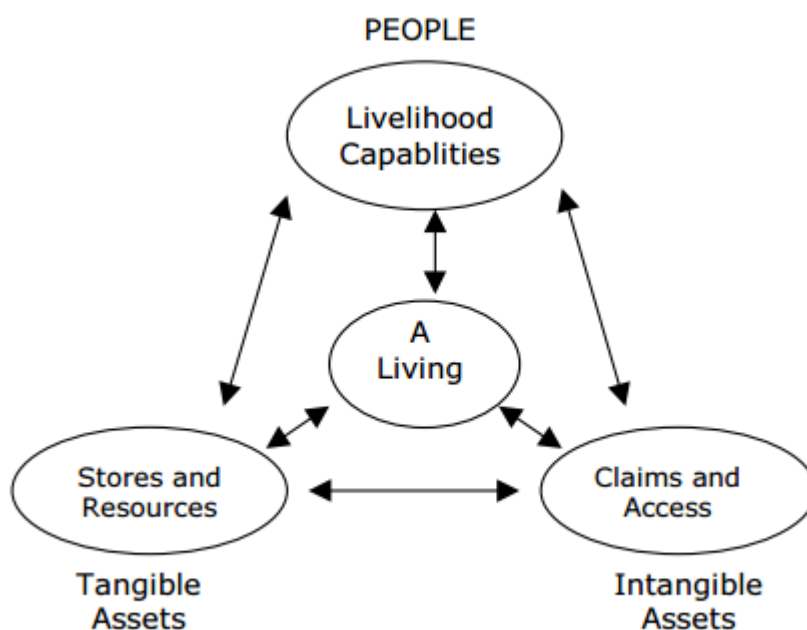
The sustainable rural livelihoods approach is rooted in rural development thinking. The starting point for this discussion is small-farm focus, which became the focal point of rural development in the early to mid-1960s, and asserted the central role of agricultural productivity in economic growth where small farmers are rational economic agents (Schultz, 1964; Mellor, 1966). The small-farm approach placed agricultural growth in a central place as the condition for non-farm economy growth and poverty alleviation (Singh, 1990). This is the so called “rural growth linkages” (Delgado et al., 1998). After the continuing development of the small-farm approach in the 1970s, evolution of market liberalisation in the 1980s and development of process, participation, empowerment and actor approaches in the 1980s and 1990s, the sustainable rural livelihoods approach became a mainstream framework in rural development thinking (Ellis & Biggs, 2001). The sustainable livelihoods framework is a bottom-up framework, in line with the paradigm shift in rural development theories during the 1980s and 1990s from the market liberalisation to participation and actor approaches.

The major scholars who developed the livelihood framework include Chambers & Conway, 1992; Ellis, 1998; Carney, 1998, Scoones, 1998 and De Haan, 2000. The definition and a diagram (See Diagram 2.1 below) of a sustainable livelihood is given by Chambers & Conway (1992: 6):

“A livelihood comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living. A livelihood is sustainable when it can cope with and

recover from stresses and shocks, maintain or enhance its capabilities and assets, while not undermining the natural resource base.”

Diagram 2.1: Components and flows in a livelihood



(Source: Chambers & Conway, 1992)

One key strength of the livelihoods approach for my project is its inclusiveness of villagers who work in the non-farm sectors or who are unemployed. Focusing on how capabilities, assets and activities constitute sustaining livelihoods, the sustainable rural livelihoods approach does not require the rural individuals to participate in small-scale farming activities. Based on empirical research conducted in South Asia and Africa, it is suggested that only around 50% of rural livelihood income comes from farming-related activities, while

the income rural individuals obtain from urban areas plays an important role in their household income, including remittances and transfers (Reardon, 1997).

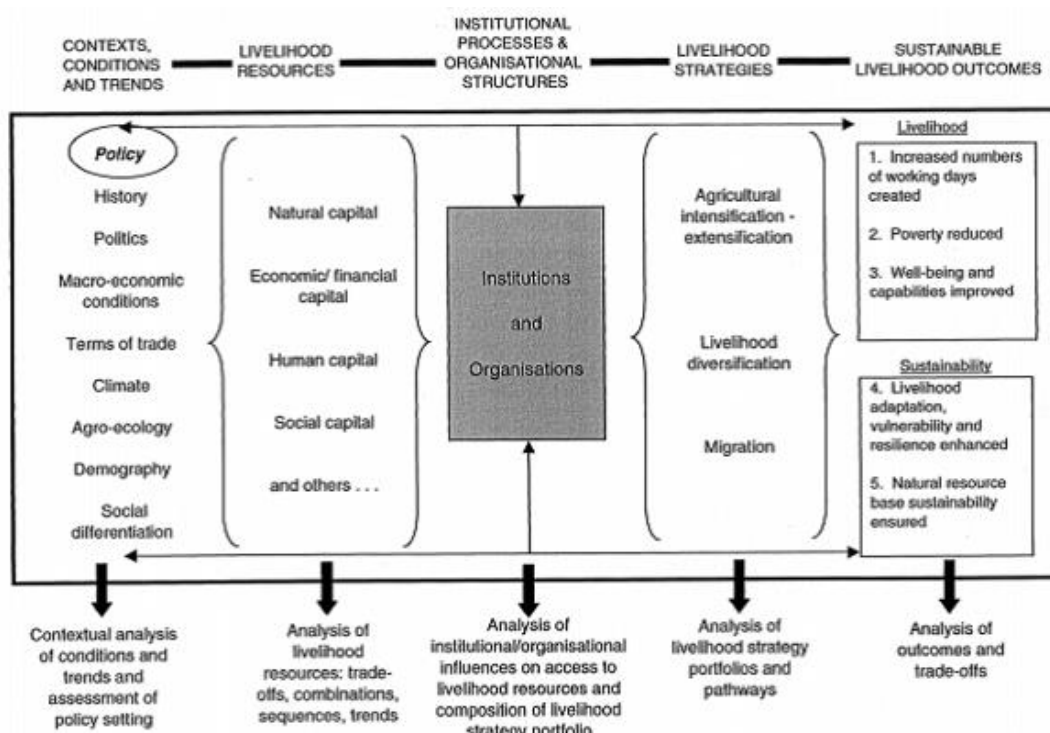
In state-led urbanisation, villagers involved in the process are not necessarily small farmers. For villages located adjacent to the urban area, there might be a large portion participating in the urban labour market even before resettlement. In state-led urbanisation projects where rural villagers are resettled to the urban area, they would have no more farm income; even if still located in the rural area, the income sources of rural villagers might change according to the new rural economy and the methods of resource redistribution. As a result, compared to the small farm approach in rural development, the sustainable rural livelihood approach provides a valuable analytical tool for understanding the livelihoods of resettled farmers during rural development and transformation process in this research.

However, to be of use the sustainable rural livelihood approach must be placed firmly in context. A livelihoods framework is an approach to analysing rural development that concentrates on the relationship between livelihood resources “input”, “output” and livelihood “outcome”. Input includes the livelihood resource and context. The input goes through the institutional process and comes out in individuals’ livelihood strategies as outputs, which create sustainable livelihood outcomes. While the three steps in the framework are usually used by economists as a checklist to address implications from the economic perspective, the social and broader implications are often neglected; furthermore, a nuanced analysis of the livelihood components is often unaddressed, for example the

formation of assets and the social-political processes in linking inputs and outputs, as well as outcomes (Scoones, 1998).

A diagram from Scoones clearly shows the factors that affect individual and household's livelihoods, as well as the relationship between them:

Diagram 2.2: Sustainable rural livelihoods: a framework for analysis



(Source: Scoones, 1998)

This research attempts to address the issues highlighted above. Rather than using the framework as a checklist, this research focuses on the social and political context as often neglected in the framework, and understands the role of governance in shaping the livelihood components, like assets, as well as the role of governance in formatting the linkages between livelihood inputs, outputs and outcomes.

When it comes to the hierarchical levels of livelihood, the livelihood is based at the household level in Chambers & Conway's (1992) work. Nevertheless, it is important to shed light on the other levels, including individual, intra-household, social group and community. For example, within a household, livelihood may be conditioned by gender and generation of individual household members, as well as their strategies (Beall, 2002). Particularly at the individual level, livelihoods of women and children might be inferior to that of male members because women are more likely to work in the less regulated and lower paid sectors than men (Chambers & Conway, 1992; De Haan, 2000). Resettlement and development might create the opportunity to change the functionality of members in a household, where there is a possibility of the empowerment of women and the raising livelihood for women; conversely, the process could also go to the other direction where women or other members of the family suffer. This research examines these issues in detail in Chapters 5, 6, 7 and 8.

Other strengths of the livelihood framework include: first, its inter-disciplinary nature, which provides multiple perspectives for development challenges (Scoones, 1998). Second, an advantage of the livelihood perspective is its diversity (Scoones, 1998). As rural development is a socio-economic project, it is highly contingent on the local context, the specific set of policies at the place, as well as the relation of the place to its neighbours. Third, the livelihood framework provides a bottom-up perspective, which allows researchers to understand individuals' own livelihood strategies as an active actor rather than a passive receiver of policies (Bebbington, 1999). In addition, by depicting the living experience of rural individuals, the livelihood framework also reflects an account of subjective experience,

in terms of their self-perception of identity and satisfactions of the experience, along with their material livelihood struggles (Chambers, 1989; Ellis & Biggs, 2001).

When it comes to the drawbacks of the livelihoods framework, an important aspect is the absence of the role of governance in shaping livelihoods. Governance could be reflected in the change of context, livelihood resources and institutions, and the lack of emphasis of governance in the framework compromises its effectiveness for interpreting the implications of rural developments on livelihoods. As Scoones (2009) suggests, central concerns about the efficiency of the framework include “power, politics and social difference – and the governance implications of these” (Scoones and Wolmer 2003, 180). Specifically, in the livelihoods framework, the discussion on livelihood is disconnected from that of governance, resulting in omitting attention to issues of power and politics. One consequence of neglecting the role of governance is a possible shifting of responsibilities and blame to individuals. Impoverished rural individuals, at times the victims of rural development programmes, may be blamed for their incapability to gain a sustainable livelihood. The lack of accuracy in identifying the source of development failures and poverty often results in a poverty reduction agenda which is entirely focused on economics, ignoring social impacts (Scoones, 2009).

With this limitation of the livelihoods framework in mind, my research mitigates the problem by drawing attention to governance, power and political issues. In particular, this research compares the implications of different mode of governance on individuals’ livelihoods to gain a better understanding of the role of governance. This research is tailored

to the Chinese context and compares the subtle difference between the impacts on farmers' livelihoods under the different styles of state intervention. Furthermore, this research fills an important gap in the livelihoods literature by addressing one of the key critiques of the livelihoods framework and rebuilding the connection between livelihoods and governance.

A further deficiency of the sustainable rural livelihoods framework is that it is unable to capture future livelihoods, particularly shifts in the rural economies and agricultural sector (Scoones, 2009). Moreover, Satterthwaite & Tacoli (2002) argue that because the livelihoods framework has been developed based on a rural context, considering different vulnerability contexts and the kind of shock and stress generated in different backgrounds, the usefulness of the livelihood framework in the urban context remains ambiguous. This is particularly acute when the new urban context and new rural context suggest new livelihood components that were non-existent in the previous rural context. By using a livelihood framework only where the context is regarded as consistent and stable, the dynamics and changes of livelihood context alongside transition is often neglected, which causes failure in capturing the pragmatic composition of rural individuals' livelihood income.

To address the lack of attention to future livelihoods, this research assesses the possible future sustainability of resettled villagers' livelihoods when comparing the transitions in Tianjin and Zhejiang. In addition, by studying the state planning and intervention in the post-resettlement period in each case study village, my research aims to find out the impacts of the resettlement processes on the immediate and medium-term livelihoods of (former) farmers.

2.3 Livelihood component 1 - Capabilities

In the three components of livelihoods as stated above, the capabilities factor can be understood in both material and non-material ways (Chambers 1989). Capability is the ability of a person to pursue or be certain things that are valuable to them, given their personal background, socio-economic status etc (Sen, 1997). It is important to note the condition of capability where the ability of a person to pursue things of value is based on their existing socio-economic circumstances. Based on this concept, we might assume that, given an equal amount of new resources and placed in the same context, individuals from different social and economic backgrounds with different personal experiences would have different capabilities of making a living, or of obtaining income in the rural development context.

Capabilities have three dimensions: the well-being and freedom of people; their economic production capacity; and the ability of individuals to bring social change (Sen, 1987). In the context of rural development, on one hand, capabilities measure people's ability to gain employment and income, from the economic perspective; on the other hand, capabilities concern the wellbeing of people and their state of living, for example their self-perception, identity, satisfaction and exclusion.

The economic perspective of human capability is related to the concept of human capital, where human beings function as labour in the productive process, with little difference from other physical productive forces like capital or land. However, the concept of human capability is broader than the concept of human capital. In addition to depicting the role of

human in productive activities as creating value through their skills, knowledge and effort, equivalent to physical capital in production, the concept of human capability also addresses whether the individual has a choice to value things that have meaning to them (Sen, 1997). With this distinction in mind, we might assume that under equal circumstances, individuals from different social and economic background with different personal experiences would also have different capacities to make choices to lead a live they value.

The difference between human capability and the economically-focused human capital also suggests the broader instrumental role of capability in bringing social change, which makes up the third dimension of the concept of capability. From the social perspective, capabilities are individuals' ability to question, voice, challenge policies in development and be the agents of change (Sen, 1997).

Chambers & Conway (1992) expand Sen's account of "capability" further to include the ability of coping with stress and shock, and the ability of seizing and using livelihood opportunities. This is not restricted to reacting to adverse changes of livelihood conditions, but concerns gaining "access" and making "claims" over tangible and intangible resources. Individuals' strategies in dealing with shock and stress will be discussed in the sustainability section in this chapter. This part of "capability" is tightly related to the concept of "assets", explained in detail in the following section.

In a resettlement and transition process, such as that in my case studies of rural redevelopment in Tianjin and Zhejiang, we might expect changes in the livelihood setting in the resettlement community. As the rural residents' existing capabilities have been

developed to make a living in the previous rural community and working environment, the changing environment poses challenges to the balance between individuals' sets of capabilities and the new living environment.

During the resettlement in Tianjin and Zhejiang, we might expect to see different groups of resettled farmers face different challenges, with various degrees of abilities to cope with shock and disruption of livelihoods. Policy measures which aim to tackle a certain type of shock in one social group may not benefit other social groups. Particularly in the case of rural-urban transition, the transformation of the labour market and the shift of dominant industries are likely to create significant change regarding the requirement of labours' skill sets. We might expect to find resettled farmers, on the one hand, facing shock and disruption of livelihoods; and, on the other hand, creating new access and making new claims over previous or re-organised resources. However, what is less clear is whether resettled people use the same strategies in the two sites, despite the very different models of redevelopment, or whether their strategies are different contingent on the livelihood conditions as a result of various resettlement procedures.

2.4 Livelihood component 2 - Assets

As one of the three livelihood components, the concept of "assets" is closely related to the other two components. It is also the most complicated dimension, and it is also where

different scholars developed various categories for it. The major two approaches to livelihood assets are from the work of Chambers & Conway (1992) and Scoones (1998).

In Chambers & Conway's (1992) sustainable livelihoods framework, they expand Swift's (1989) classes of asset from "investments", "stores" and "claims" to "tangible" and "intangible", where tangible assets include resources and stores, and intangible assets are composed of claims and access. Stores include food, manufactured goods and financial materials, while resources consist of natural resources, farming tools and domestic facilities (Chambers & Conway, 1992). On the intangible side, the aim of claims is to obtain additional material or moral support during times of stress or shock (Chambers & Conway, 1992). The activists who make claims vary across individuals, agencies, social groups and communities (Chambers & Conway, 1992). Lastly, the concept of "access" covers two aspects. First, it assesses whether individuals have the opportunity of using resources and stores in real life; second, it is about individuals' chances of gaining information, techniques, income-generating activities, and rights to common property resources, food or income (Chambers & Conway, 1992).

As Chambers & Conway (1992) point out, displaceds are more likely to make claims under circumstances of shock and stress than when they are not under these circumstances. We might expect shock and stress to be created at different stages of the resettlement process. If we consider the process of resource reallocation during resettlement, there are three stages: first, assessing the original rural resources at individual level and village level; second, reorganising resources at village level and re-collecting resources from the

individual level; third, redistributing resources to the individual level. Using stage three as an example, there are two possibilities for unequal distribution of resource via “claims” and “access”. First, the recollected and reorganised resources at village level may be divided into unequal shares for different households. Second, the reorganised resources may be divided into equal shares; however, different households have different access to these resources and the chances for individuals and households to make claims might vary. It is also possible that both of the above two scenarios exist at the same time. In Chapters 6 and 8, I carefully examine the above scenarios in the context of my two case study sites, and compare and contrast the circumstances in Tianjin and Zhejiang.

However, in Chambers & Conway’s (1992) work, access to the intangible is not clearly pointed out. The access to intangible assets is particularly important in a transitional context because this is when hidden intangible assets may fail to be exchanged for new forms of resources in the new context. For the purposes of this thesis, the key question is how “access” to resources and chances changes in different livelihood contexts, for example from the rural context to the urban context.

One example is land. In the extensive literature on spontaneous urbanisation in China, where rural migrants move to urban areas to work, land serves as a form of unemployment insurance, where migrants can return when laid off from the urban labour sector, or on becoming ill, retired, or deciding to start their own business at home. On the other hand, for the “left-behind” (typically the young, elderly and female farmers), it is a space for them to provide food for the household in a self-sufficient manner (Biao, 2007). Therefore, apart

from the tangible productivity function of farm land, it also embodies unemployment insurance, health insurance, pension and domestic production functions – all of which are less likely to be measured and compensated for in the transition process. However, the realisation of these intangible functions relies on material access to the land. Also, because of the seasonal and informal nature of these less-visible functions, they are difficult to measure and are easily lost when farmers' relation to the land is changed. As shown in the migration literature, these issues are also part of the reason why many rural migrants are reluctant to give up their land in exchange for a fully urban life (Zhao, 1999). Migrants are aware that when they lose land, they lose more than just the productivity of the land. As a result, migrants usually prefer to maintain their relation to their land, in the forms of rural *hukou* and farmland, because they can enjoy the intangible functions as long as they continue to have access to land.

In the case of resettlement and relocation, if individuals' land is re-collected and redistributed, this inevitably changes individuals' relationship to their land, and must be considered in any assessment of the impacts of resettlement and redevelopment on rural people. As discussed above, where the intangible asset is often associated with individuals' and households' livelihood security, the easily neglected access to intangible is a threat to resettled villagers' livelihoods. While the ownership rights of land may be redistributed and farmers may be financially compensated based on land productivity, the loss of material access to land itself endangers the intangible functions of land to which farmers were formerly entitled. One question to examine in this research on the resettlement and redevelopment process in the two provinces in China, is therefore whether the less visible

intangible value of land is neglected in the compensation package when farmers lose material access to land. This may increase the chance of shock and disruption of livelihoods, which on one hand, increases the chances that resettled rural residents make claims on stocks and resources for alternative income sources to compensate for the loss of insurance; on the other hand, it may enhance the possibility for resettled people to encounter feelings of insecurity, loss of choice, disempowerment and loss of identity.

When it comes to claim-making, one way of claiming resources is collectively at the community level and then redistributing resources to community members, rather than claiming at the individual level (Bebbington, 1999). One example from Guatemala shows that claiming resources collectively is an effective way of protecting private and collective property rights against other users (Katz, 2000). The term “communities” is not limited in the geographical sense of a group with shared residential space, rather the term represents any groups with shared cultural identity, experience of discrimination or with strong intra-communication bonds (Woolcock, 1998; Leach et al., 1999).

For the purpose of this thesis, where the livelihood context changes with the rural development process, so does the forms of assets, and it is therefore important to study a more nuanced account of “assets”, which is not constrained by either rural or urban context, and which decomposes assets into elements. Scoones’s (1998) work on assets describes the asset component as being what people possess and control in order for them to employ livelihood strategies (Scoones, 1998). The major difference from Chambers & Conway’s (1992) account is the categories of assets. According to Scoones (1998), assets concern

economic capital, human capital, social capital and natural capital, which is viable in either rural or urban context rather than addressing the majorly rural-based natural resource.

Economic capital includes cash and means of production; human capital includes skill, knowledge and physical condition of the labourer, as discussed in the capabilities section; social capital describes the social networks of the labourer; natural capital describes natural resources and the related services (Johnson 1997; Scoones, 1998).

While Scoones (1998) also addresses the importance of access in the discussion of assets, he applies a more structuralist view by summarising access through the barriers and opportunities posed by institutions. Also, compared to Chambers & Conway's (1992) account, apart from the material benefits obtained through "access", Scoones (1998) pays more attention to the variety of subjects who initiate "access", including individuals, households, social groups and communities. Furthermore, the interaction of different actors generates power relations and the interaction is often distinctive in each context, according to the rules and norms in that context (Giddens 1979; Scoones, 1998). To analyse the access to livelihood assets and resources, Scoones (1998) argues that not only are the forms of the institution important (i.e. formal/informal), but interaction between different actors in the institution and the interaction between the actor and institution also deserves more attention, for example, "contestations, negotiations and trade-offs" are some forms of these interaction (Scoones, 1998, p12). This leads to the following sections on the balance between the livelihood components.

The discussions on assets from Chambers & Conway (1992) and Scoones (1998) are not exclusive, but are complementary to each other, showing augmenting aspects of the asset component. Therefore, in my discussions of livelihood assets, I include the resources, stocks, claims, and access to assets, as well as the various subjects who initiate the behaviour of access, and the interaction between assets and other livelihood components. This literature is useful for my research because it enables me to examine the livelihood components in a transitional livelihoods context.

2.4.1 Transition of livelihoods contexts

The socio-economic and political context has influences on people's livelihoods because it shapes people's access to assets and their consequent livelihood strategies (Meikle, 2002).

The livelihoods concept in the urban context also consists of capabilities, livelihood resources and strategies. The key differences from the rural livelihoods are the components of the livelihood assets and the consequent livelihood strategies (De Haan, 2000).

Where rural livelihoods rely more on the use of natural resources, for example land, and sustainable livelihoods concerns using these natural resources sustainably (Johnson 1997; Scoones, 1998), urban livelihoods typically rely more on income in the forms of cash and assets (Satterthwaite & Tacoli, 2002). There is also a possibility that rural people often receive income in a different way from urban people – eg in kind (assets) rather than as a wage (money). Furthermore, De Haan (2000) argues that the urban poor rely more on their labour, related to their human capital or capabilities; therefore, livelihoods of the urban poor are more associated to labour-related conditions, for example wages, working time

and working conditions. With increased capabilities through education and skills training, people should have better access to wage employment, while with a reduction in institutional restrictions, people should have better access to assets (Rutherford, 2002; Harper, 2002).

As for differences in livelihood strategies, rural labourers diversify their household livelihoods from farm income to off-farm income by having some family members migrate to the urban area, while urban labourers diversify their livelihoods by working in different sectors in the urban labour market (De Haan, 2000). However, not all scholars agree with this analysis. Breman (1996) argues that it is unlikely in reality that labourers move between the formal sector and informal sector, and sometimes take up jobs in both sectors. Also, if livelihood and livelihood strategies are contingent on policies and the structure of organisations, rural livelihoods are concerned more with local levels, while urban livelihoods are also influenced by national and international level factors (Satterthwaite & Tacoli, 2002). As a result, while applying the rural livelihoods framework to urban livelihoods, it is important to notice the above differences. As for my research, the sustainable rural livelihoods framework is most helpful when the context of livelihoods is constant, which in this case it is not. To reflect on the transitional context from rural to urban areas, in particular the role of state intervention, my research will therefore also use important displacement frameworks, discussed in the next chapter, to deepen the analysis.

2.5 Livelihood component 3 – Income-generating activities

One important reason for analysing the access to livelihood assets is that different access to resources shapes people's strategies for gaining a sustainable livelihood (Scoones, 1998).

This strategy is formulated at various levels, including individual, household and village.

Income-generating activities are the third component of the livelihood concept. In the rural context, one livelihood strategy is "agricultural intensification/extensification", in which better livelihoods would be gained if more capital and labour is invested in farming (Scoones, 1998). Another livelihood strategy is "livelihood diversification", in which livelihoods are secured by diversifying income sources (Scoones, 1998). For example, rural-urban migration can be a livelihood diversification strategy; migration of family members expands the household income sources from farm income to off-farm income, reducing risk of livelihood failure (Chambers & Conway, 1992; Carney, 1999; Scoones, 2009; De Haas, 2010). "Livelihood portfolio" describes the various activities the actor chooses for the means of living, while the scale of actors can vary from individual level to households to villages to countries (Scoones, 1998).

This is especially interesting in the context of this research, since in spontaneous migration, migrating to the city is a way of diversifying, but in my case studies being "urbanised" does not actually mean diversification, as the original livelihood (if farming) may be lost.

Therefore, it implies another difference between state-led urbanisation and the much more-researched voluntary migration. In my research, we might expect fewer possibilities for diversification for those who are resettled to the urban area. To seek alternative income and diversification of household income, this group would have to look for other opportunities.

2.6 Sustainable livelihood

The sustainability of livelihoods consists of both environmental sustainability and social sustainability. As elaborated in Chambers & Conway's (1992) livelihoods framework, the former concerns the impact of a livelihood on existing resources and assets, while the latter focuses on whether the subjects of livelihood are able to cope with stress and shocks and sustain an improving livelihood. Both aspects concern both tangible and intangible assets, where the amount of tangible assets received by the affected population is largely contingent on the intangible assets they possess.

At the local scale, the environmental aspect concerns the impact of livelihood activities on local natural resources, including water, soil, soil fertility and forest. On the other hand, the global scale concerns how local livelihoods are affected by global trade, and reduced access to the global markets and global common properties. In this thesis, the focus of sustainability, as well as shock and stress, remains at the local level to address the different approaches of state intervention through comparison of two different resettlement approaches in two different locales. The social aspect of sustainable livelihood concerns the ability of individuals and households to maintain a sustainable livelihood.

There are two types of threats to sustainable livelihoods. Chronic and continuous threat is termed "stress", while sudden and unpredictable threat is called "shock". Both types of threats concern the tension between supply and demand of resources as well as access and claim to resources. Rakodi (2002) suggests distinguishing sustainability and security, where the former refers to the impact of human behaviours on the environment, and the latter

concerns the vulnerability of people, which is about the ability of the actor to recover from stresses and shocks. Stresses and shocks both describe disturbance for production and livelihoods, but they differ in scale and effects, where stresses are small and predictable, and shocks are large and irregular; as for effects, stresses cause chronic effects and shocks cause immediate effects (Scoones, 1998).

Because of the difference of livelihood resources in rural and urban contexts, we might expect the substance of “stress” and “shock” to vary according to the context. Moreover, when the condition of the context changes, it is likely that “stress” and “shock” would change as well. This suggests that to cope successfully with stress and shock, the affected population will need to adapt their strategies to the changing challenges. For example, in the rural setting, stress and shock might largely come from challenges of natural resources, including declining soil fertility, farm size and rainfall. On the other hand, in the urban setting, stress and shock may happen in the form of declining employment opportunities, or reductions in real wages. In this research, the change of livelihood context might suggest the change of the types of stress and shock as well. For rural villagers, the stress and shock that they used to face in the rural context might therefore change into urban stress and shock. For those who successfully dealt with stress and shock in the rural context, whether they would be able to cope with urban stress and shock is uncertain, which poses a potential threat for them to achieve sustainable livelihoods. For villagers who struggled with livelihoods in the rural context, whether the new livelihood context would generate opportunities or more stress and shock is unknown.

Unaddressed stress and shock cause vulnerability. Two approaches to eliminate vulnerability, as noted by Chambers & Conway (1992), are public and private actions. In terms of public action, this is contingent on the formulation of the livelihood setting, where prevention and protection from natural disasters are provided and more employment opportunities are generated (Chambers & Conway, 1992). This is largely the responsibility of the authorities who have the resources and are often the driver of development. As for private action, this is where the households themselves attempt to expand their portfolio of assets in order to compensate for the loss during livelihood disruption.

In state-led urbanisation cases in Tianjin and Zhejiang, we might expect to see the co-existence of both public and private actions. For example, for public actions, the authorities could provide employment opportunities for resettled villagers, provide employment training, and compensate villagers; as for private actions, villagers might take collective actions, petition, use legal measures, or keep their discontent and dissatisfactions quiet. The difference between the sites, with their very different approaches to rural redevelopment, may be in the forms of the public action and what specific measures individuals take for private action. There are also likely to be different types of shocks and stresses in the two sites (as well as different responses). Is one kind of resettlement pattern more likely to create shocks than the other? The empirical chapters 6 and 8 will elaborate this in detail based on the livelihoods implications for different social groups in Tianjin and Zhejiang.

2.7 Reaction to stress, shock and disruption

Reaction to stress has two dimensions, positive and negative, where positive is when individuals/household take a proactive approach in adapting to the changed livelihood setting, exploiting existing opportunities and creating new possibilities. On the other hand, negative is when individuals/households take a reactive approach to livelihoods, passively responding to stress and shock (Chambers & Conway, 1992).

When it comes to private action, it is useful to examine the existing reactions of the socially and economically vulnerable groups, including rural migrants and urban laid-off workers because these measures could also be the way for resettled villagers in this research to express their discontent. In China, individuals take different measures to express their discontent; while some may choose collective action or even violent action to show their dissatisfaction and to press for more resources, others choose to keep silent. Collective action is a common strategy for rural migrants to take. The forms of collective action include petition, appeals, demonstrations, protests, and legal measures (Lee, 2007). Most of these collective actions are interest-based, and arise as the consequence of conflict between rural migrants and their management regarding work and salary related issues (Chan et al., 2009). The organisation of collective action usually takes place in a shared living space, like factory dormitories and the migrant communities (Chan et al., 2009). The shared space cultivates shared identity, shared interest and a sense of belonging that go beyond any specific narrower networks, based on hometown, ethnicity, gender (Lee, 2007). Based on this literature, it is rational to assume that given the shared space, interest and identity, collective action would also be one strategy for resettled villagers use in order to express their dissatisfaction and claim more resources.

Another useful account to the study of the expression of dissatisfaction by resettled farmers in the state-led urbanisation cases is the existing research on collective actions of laid-off workers in urban China. Similar to rural migrants, urban laid-off workers also make collective resistance spurred by the massive scale of retrenchment as a result of privatisation reforms after 1997 when the lifetime employment ended and the social contract between workers and the state was broken (Gu, 1999; Hurst, 2004; Lee, 2007). Different from rural migrants, the cause of collective resistance was due to the lack of financial resources of the state firms, which led to retrenched workers' deteriorating economic situation and frustration. Compared to rural migrants, the target of laid-off workers' collective actions was either firm management or local governments, depending on the measures taken by each of them. The management can easily be the target when it takes strong measures, because the workers believe that the management can solve the problems; when workers believe that the management is weak and unlikely to solve their problems, they shift their attention to local governments. When they become the target of collective action, local governments take measures to weaken workers' motivation for taking collective actions by increasing the costs of action (Cai, 2006).

Also useful to the context of understanding resettled farmers reactions to redevelopment is the inaction of some urban laid-off workers in China. One major piece of work studying this process is Cai's (2006) account of workers laid off from state-owned enterprises (SOEs). Cai's work shows that, despite some retrenched workers taking measures for protection and collective action, the majority of workers actually chose to remain silent. One explanation of this is workers' cost-benefit analysis, in which they calculate whether it is possible to obtain

more benefits from participation in action; if not, they prefer to use their time and energy to find other income sources rather than voicing their discontent (Cai, 2006). Another explanation is the absence of solidarity, caused by the fragmented identity of the laid-off in China (Cai, 2006). Although they share the common experience of being laid-off and some degree of shared identity, these do not indicate that workers share similar interests regarding collective action. The attitudes of the laid-off workers were rather decided by their access to alternative income sources, social networks, level of education and former employment (Cai, 2006).

Applying the above discussion of literature to my research, it is worth noting several points. First, when dissatisfied by the resettlement process or the compensation, resettled villagers might take collective action in either violent or peaceful ways, or remain silent. Their decision depends on two factors: first, whether there is shared identity and interest between the resettled farmers; second, whether resettled farmers make a cost-benefit analysis before making decisions as to whether to take collective action. On the other hand, resettled villagers' decision also largely depends on the reaction of the local states. There might be distinction between lower level states and the central state, where for resettled people local states are the equivalent of SOE management in the case of rural migrant collective activities, since they directly manage the resettlement and rural development, and the central state is more distant to the operation of rural development. Second, the shared identity and interest is an important factor in motivating discontented farmers to take violent collective actions. Third, the decision of resettled villagers might be partly affected by the local states' strategies in calming their actions.

In the Tianjin and Zhejiang cases, we might expect to find that some resettled farmers do not see violent action or peaceful collective action as a useful approach of private action, in which case this rational behaviour theory would be a plausible explanation. We might also expect to observe a contrast between identity and interests in the Tianjin and Zhejiang cases as well, which suggests the emergence of new social groups that are not adequately defined by their rural origin or by the resettlement experience.

For those who take action to voice their grievances, they may assess the strength of the entity which directly handles the resettlement process, which is the village committee. If resettled people reckon the village committee is capable of reflecting their demand to the upper level governments, or would bend to collective pressure, villagers may target their complaints to the village committee. However, in cases where the village committee is perceived as weak, or where the village committee no longer exists after resettlement, we might expect farmers to address their dissatisfaction to the upper level states directly. This could also happen when the villagers make their first attempt to the village committees - if this fails, they would either stop there or keep forwarding the grievance to the upper level government, and expect that the hierarchy of authority would help them address the issue. However, in this case, farmers may still fail if there is a close relationship between the village committee and township governments, or between the town-level and county-level states, since the connected interests between cadres might motivate them to protect each other. I will analyse these questions in detail in the case studies in Chapters 5 and 8.

2.8 Dimensions of livelihood transition

2.8.1 Livelihoods in the transitional context

In state-led urbanisation, the aim in Tianjin appears to be to transform rural livelihoods into urban livelihoods, while in Zhejiang the goal is to enhance rural livelihoods. In both cases, the key is the transition of livelihoods. The transition is multi-dimensional, which covers the transition from rural to urban and from short-term to long-term livelihoods. This section examines these dimensions and anticipates the potential shocks, stresses and disruptions of livelihoods that are likely to be generated during the transition process by drawing on relevant literature in order to understand how livelihood risks, shocks and stresses are generated in the context of state-led urbanisation in my research. Living in an urban context is different from living in a rural context. With the occupational transition from farming to non-agricultural work, peasants' farming-related lifestyle and traditions are gradually replaced with non-agricultural-related lifestyles. With a change of basic administrative unit from village committees to urban neighbourhoods, previous village and farm work unit divided groups are transformed to occupation-based or individual interests-based groups (Xu et al., 2011). However, no current literature has examined the livelihoods of this group, and this research aims to fill this gap.

2.8.2 Comparing resettlement livelihoods to the livelihoods of migrants

Much scholarly work has focused on rural-urban migrants in the process of spontaneous urbanisation in China, and on migrant livelihood strategies. Migrants typically move to the

urban area voluntarily, and are thus often more ready to develop the skills required in the urban labour market, as well as being self-selected in terms of their age, health, family support and physical condition. When it comes to households, migration of members in the household is often a diversification strategy of rural households. Migrants in the urban area send home remittances, which expand their farm income to off-farm income and they provide support for new migrants; at the same time, they and their rural relatives invest in properties in rural and urban locations, which also diversifies the income source of the rural household (Ellis, 1998; Satterthwaite, & Tacoli, 2002).

Migration is maintained by migrants' access to urban off-farm income opportunities and their rural relatives' access to rural assets, like land and rural housing, and in many cases migrants need to go home often to assist the rural household or when their urban job is not working out (De Haan, 2000). The motivation for migration tends to reduce when migrants cannot find satisfactory employment in the urban area, or they do not possess rural assets any more (Satterthwaite, & Tacoli, 2002).

Unlike migrants, resettled farmers are forced to adapt to new labour market conditions, whether urban or rural. As a result, they are not only less ready to take up the new urban work, but also often less capable in developing new skills. In the discussion of livelihoods, most of the literature refers to migration as a diversification strategy of rural livelihoods, while other research examines urban livelihoods, but almost no literature examines the urban livelihoods of resettled rural labourers. Nonetheless, we might expect that the resettled rural labourers would be even more vulnerable to the changing context of

livelihoods than migrants and more likely to participate in the urban informal sector, self-employment or household workshops. The transition of household livelihoods from the rural context to the urban context could threaten the living standard of resettled rural farmers if it is not managed well. On one hand, this concerns the establishment of the new livelihood in the urban area, in terms of strategies of individuals and households in response to the “shock” of resettlement by enhancing their human capital/capabilities or seeking other ways of means of living; on the other hand, it concerns the impact of reduced access to diversified assets in rural and urban areas on the stability of the household livelihoods.

For those former farmers who are resettled to urban areas, the whole household moves to the urban areas permanently, which is different from temporary migration, typically with the retention of rural land. After the movement, the resettled rural labourers tend to have no more access to farmland and rural housing, although in some cases they may have regular income generated by land use right transference programmes. At the same time, their costs of living may increase because they have to pay for resources that they did not need to pay for in the rural areas, for example water, farm food, transportation and other urban facilities (Satterthwaite, & Tacoli, 2002). The vulnerability and the consequent livelihood strategies therefore make resettled rural labourers a very interesting group to study, and it should not be assumed that findings derived from studies of voluntary migrants can necessarily be applied to their case.

In summary, the livelihoods framework tends to miss the transition process of the context from rural to urban, as well as the role of state intervention in shaping the contexts where

productive and non-productive activities take place. This thesis argues that livelihoods are constructed and maintained in particular spatial and political contexts, and these conditions, and transformation of them, can serve to alter the livelihood structures and dynamics.

Livelihoods and social stratification are also highly sensitive to economic context, because this determines the resources that are made available for maintaining patterns of activities.

These insights bring together the bottom-up livelihoods framework and the top-down displacement frameworks, to show how these interact in sometimes unpredictable ways.

Urban livelihoods mostly rely on off-farm income, which comes from one's ownership of assets and participation in the urban labour market through wage labour, self-employment or household workshop (Hart, 1973; Moser, 1998; Beall, 2002; Rutherford, 2002). These income-generating activities exist in both the formal and informal economies (Rutherford, 2002). The co-existence of the formal and informal economy provides possibility for diversification of urban livelihoods.

These issues will be addressed in the next chapter, which discusses in depth how the role of the states, and the relationship between local states, shape the labour market, land related policies and community culture in a transitional context. The rest of this chapter focuses on the relationship between livelihoods and the class structure in China. Although the sustainable rural livelihoods framework helps to understand the livelihoods of individuals and families, it is unable to provide a full picture of the further implications for the community and, in particular, for the reformation of social groups. It seems that other interpretive lenses are needed to understand how changes happen in the social

stratification, as a result of changing composition of the each social group and relationship between social groups.

2.9 Group effects - Livelihoods and the changing class structure in China

2.9.1 Livelihoods and class formation theories

The previous section discussed the sustainable livelihood approach. In most cases, it is not that people choose to work in the informal sector, but that it is their only choice in gaining livelihoods due to their lower skill level and structural barriers like, in China, the *hukou* system (Rakodi, 2002). In some cases, labourers look for work in the informal sector to get supplementary income for their wage-earning job in the formal sector; in other cases, labourers who do not secure a job in the formal sector or rural migrants aiming for income opportunities, tend to work in the informal sector (Hart, 1973; Breman, 1996). With the increasing participation of rural labourers in China's urban labour market, in particular that of resettled rural labourers, are the former "rural" and "urban" class labels being mitigated? What is the perception of resettled rural labourers on the changes in their social status after rural redevelopment?

Following from the above discussion, this section first provides a brief overview of classical class formation theories based on one's relation to means of production and prestige. It then moves on to an examination of class theories of the Chinese Communist Party (CCP) and their implications before and after market reform. In the discussion of the class

structure after the market reform, this section argues that the boundary of the former rural-urban dual class structure is becoming blurred. On one hand, the traditional unified rural class is segmented into a stratified structure based on the material gains of some rural labourers; for example, some rural migrants are gradually financially better off than certain poor urban groups due to a combination of reasons, including the development of the market economy and rural migrants' ability to accumulate wealth with increasing rural labourers working and living in urban areas. On the other hand, the failure of rural labourers to participate in the urban formal sector and the diversified livelihoods in the urban informal sector prevents them from becoming a unified new urban working class. The blurring of the rural-urban class structure as a result of these two processes raises the question of whether state-led urbanisation is generating new Chinese class identities and perceptions.

2.9.2 Class formation theories

In class formation theories, Marxists typically argue that formation of class relations and awareness are based on the common relationship to the means of production, while non-Marxists argue that the relationship to the means of production is not the cause but the result of class struggles, based on class relation and awareness (Marx, 1963 [1846-1847]; Wright, 1978; Roy, 1984). Marxists have tended to study the relationship between classes, while non-Marxists studied the formation of classes.

To understand the construction of social reality, Bourdieu (1987) recognised both the objective and subjective perspectives. From the objective perspective/structuralism, social reality is a set of invisible relationships, which define positions and distance in a social space.

The difference in distances is constituted by the different levels of possession of economic, cultural, and social capitals and the change of the volume and composition of capital over time in a social space. Nevertheless, from the subjective perspective/constructivist, class is a “symbolic construction of the pursuit of individual and collective interests” (Bourdieu, 1987, pp.9), which factors in individual’s values in the formation of social class.

2.9.3 Proletarianisation and the impact of informal economies

In order to understand what happens to farmers when they are resettled to urban areas, it is necessary to consider the literature on proletarianisation, which is a process which happened typically in western countries where farmers shifted from alternative income sources to wage labour, as we might expect resettled Chinese farmers to do. When it comes to class formation based on one’s relation to the means of production, in Marxist terminology proletarianisation describes the historical process in which labourers lose alternative means of living and their only income source becomes selling their labour in the market (Tilly, 1978). Tilly (1979) also pointed out that solely relying on wage labour rather than diversified income sources makes people more vulnerable to capitalist exploitation. In this paper, the term proletarianisation is used as a simple description of the process by which farmers become urban wage labourers, but does not necessarily involve exploitation in the Marxist sense.

The historical process of proletarianisation is less likely to happen in an economic context where the informal economy plays an important role. Hart (1973) distinguished the formal and informal sectors by the type of recruitment and rewards. The characteristics of

employment in the formal sector are regular recruitment and wage-earning employment and the opposite in the informal sector (Hart, 1973). Castells & Portes (1989) disagree with putting the informal economy in the opposite position to the formal economy, or as a sector providing employment for marginal social groups. Rather, they suggest that the informal economy is a production and exchange relationship, in which informality lies not in the nature of the economic activities, but in the extent of regulation imposed by the state, or the extent of institutionalisation of the economic structures. Therefore, Castells & Portes (1989) argue that the boundary of the informal economy is contingent on the extent of the state intervention and that productivity in the informal sector is not necessarily lower than that in the formal sector.

By identifying the informal economy as a specific production relationship, Castells & Portes (1989) further argue that growth of the informal economy is closely related to the formal economy in a way that might redefine the production relationship between them, as well as within the formal economy, which is called “informalisation”. Especially in economies with a highly institutionalised structure, such as China, more activities are often generated in the informal economy where individuals are able to escape from the formal institutionalised structure (Castells & Portes, 1989).

According to this view, one of the impacts of informalisation is in hindering the proletarianisation process because alternative income sources remain available for urban labourers in their wage employment and non-wage employment in the urban informal sector (Portes, et al., 1989). The productivity of capital in the informal sector is relatively

high because of the reduced bureaucratic structure and reduced costs of labour (e.g. through subcontracting). At the same time, activities like subcontracting introduce flexibility into the institutionalised economic structure, which tend to weaken the vertical class structure through the growth of the informal sector (Castells & Portes, 1989; Portes, et al., 1989). The informalisation process affects some groups more than others, especially groups with fewer employable skills required by the urban labour market, for example rural migrants, women and ethnic minorities (Portes, et al., 1989). We might equally expect that this group would include resettled rural labourers in the cases of Tianjin and Zhejiang.

In his migration study, Todaro (1969) used a probabilistic migration model to describe the process of rural labourers entering the urban labour market. He suggested that rural labourers would arrive in the less-regulated urban informal sector briefly and then move to the urban formal sector. Nevertheless, this two-stage theoretical model is not borne out by the empirical literature (Hart, 1973; Banerjee, 1983; Breman, 1996). Rather than seeing the urban informal sector as a temporary stop for rural migrants, Hart (1973) addressed the function of the urban informal sector in lifting urban unemployment and providing supplementary income for rural migrants and the urban poor, and identified that informal income-generation activities exist across the primary, secondary and tertiary industries, as well as in self-employment and person-to-person transactions. Banerjee (1983) and Breman (1996) also found very low mobility of rural migrants from informal to formal sector from empirical studies in India.

To conclude from the above debates in migration studies, there are several reasons rural-urban migrants are less likely to become involved in the proletarianisation process in China, i.e. solely relying on selling their labour as a commodity and becoming a part of the urban working class. First, rural migrants generally have less chance of finding wage employment in the urban formal sector; if they do find wage employment in the urban formal sector, it is frequently low-paid, and they may need to seek another wage or non-wage job in the informal sector as complementary income. More importantly, no matter what types of employment rural migrants have, they often retain the connection with farming land and their rural households, especially in the Chinese context where the *hukou* system reinforces agricultural hukou-holders' ties to their land. On one hand, these ties keep migration as a part of the household strategies in diversifying livelihoods from farm income to non-farm income (De Haan, 2002); on the other hand, they act as a buffer for migrants' full commitment into the urban labour market and urban life, for example land may call migrants back when farm business is busy, and allow migrants to return to the countryside if they fail to find satisfactory employment in the urban labour market.

When it comes to resettled rural labourers, the different drivers of moving and different means of living between them and rural migrants might lead to more differences concerning class formation. As the above livelihoods section suggests, resettled rural labourers may be more likely to work in the urban informal sector, self-employment or household workshops, and this diversifies their income sources. Xu (2011) studied newly built towns in suburban areas in Shanghai and found that the low rental prices of apartments in these areas attracted many rural migrants who work in the adjacent urban areas, such that former rural

farmers who were resettled to these areas could live on rent collecting, which was at a similar level to farming income. This again suggests that resettled people may be unlikely to take part in the process of proletarianisation and more likely to participate in the informal economy. However, unlike rural migrants, the movement for resettled rural labourers is permanent, and the whole rural household is resettled in the new area such that they have no more access to farmland and rural housing, reducing the diversity of their income sources. A key part of proletarianisation, according to Tilly (1979), is the accompanying process of wage labourers losing their other income sources, like land and capital, to capitalists. Without their ties with the rural area and farm-income, the resettled rural labour group may in fact be more likely to lose alternative income sources and live by selling their labour in the market. The question thus remains of whether this process would generate new class identities and perceptions in the Chinese context.

One condition of the generation of new class identities through proletarianisation is that class formation mainly relies on one's relation to the means of production. However, this has not often been the case in the history of class in China. The following sections will first review non-Marxist class formation theories and the official CCP theories; then summarise the evolution of the class structure in China, before finally coming back to the question of whether state-led urbanisation, i.e. the resettlement process, is creating new classes with new class identities and perceptions.

2.9.4 Non-production-related class formation theories

Relation to means of production is not necessarily the only foundation that a social class could be based on. Shared prestige or culture also shape classes. Krieger, et al. (1997) related social class to socioeconomic position and regarded socioeconomic position as the combination of prestige-based and resource-based positions:

“Prestige-based measures refer to individual’s rank or status in a social hierarchy, typically evaluated with reference to people’s access to and consumption of goods, services, and knowledge, as linked to their occupational prestige, income, and education level. Resource-based measures refer to material and social resources and assets, including income, wealth, educational credentials; terms used to describe inadequate resources include ‘poverty’ and ‘deprivation’.” (Krieger, et al., 1997, 140)

According to Krieger et al. (1997), social class is a social relationship rather than a property of individuals; it is a combination of the prestige-based and resource-based positions. Apart from social class, other aspects of socioeconomic status include racial/ethnic group, and gender relations. Weber (1946) regarded social relationships as cyclical and suggested the possibility of the stratification of status emerging when the pattern of distribution and consumption of commodities are stable.

Based on Bourdieu (1987)’s capital-possession-related objective social class model, the newest report of the UK class survey experiment provides an example of this type of understanding of class. It grouped the population in the UK into seven classes by measuring their possession of economic, social and cultural capital rather than solely measuring the

possession of economic capital. The producers of the report, Savage et al. (2013), described the new model as an evolution of the previous class classification models.

The first class classification model was based on Marxism, which focused solely on the economic state of the individual and mainly addressed the value of labour. Under Marxism, society is divided into lower-middle-upper classes. The end of this era is attributed to the end of mass production, accompanied by the decline of the working class (Savage et al., 2004). Also, the polarisation in the working class also accelerated the pace of its decline as the upper part of the working class pursued the life of the middle class and the rest were more likely to become the underclass. The second class classification was based on occupation, which emphasised production and economy. Savage et al. (2013) point out the limitations in Goldthorpe's occupational class model by highlighting that the new model includes the effects of cultural and social impacts on class ranking, with a larger sample size, and uses income rather than occupation in evaluating social mobility. Skeggs (2004, pp 47) attributed the favouring of cultural capital to the "de-materialization of commercial production" and "the shift from manufacturing to services in post-industrialization" in developed countries.

In the transition of occupation-based class structures to cultural-factors-based class structures, the function of class labels has been transformed from redistribution to the politics of recognition/identity (Taylor, 1994). In a class structure based on cultural factors, social positioning concerns the moral value of individuals, in which culture is used as a form of economic resource in the consumer context (Skeggs, 2004). Skeggs (2004) also showed

concern about the potential conflicts between the possession of cultural capital and a sense of belonging, arguing that culture is a source of exclusion because identities and a sense of belonging are composed of the shared “values, aspirations and ways of living”, which can only be attained by a selective group of people while others are excluded.

When it comes to exclusion, membership of a social class plays a role in constituting self-esteem and self-image of individuals (Argyle, 1994). When individuals join a higher level of class from a lower position, acceptance from the members in the higher-level class plays an important role (Argyle, 1994). The newcomers are more easily accepted and the sense of belonging is more likely to be formed if they share dominant values with the higher-level class; otherwise, they would tend to be excluded by the class in the higher position (Savage et al., 2004). The literature suggests that while observing the social class transition in Tianjin and Zhejiang, it is important to consider cultural factors and individual farmers’ self-perception.

2.9.5 The Chinese Communist Party’s theories on class formation and implementations

The previous sections discussed the fundamental role of the relation to means of production in class formation and the impact on the informal economy on it, and introduced other possible factors that often generate new class identities and relations, for example occupation, income, education and culture. In the history of class in China, the image and perceptions shaped by the CCP and other cultural factors were often the basis for the emergence of new class structure and identities. This section explains how the images of certain classes, shaped by the theory of the Party, influenced the perception of the Chinese

population of their own class identities, in order to show how these historical class identities may be shaping the new identity of resettled farmers in the case of state-led urbanisation in China. This is especially relevant when comparing those who are resettled to an urban area and those who are resettled to a rural area.

One of the functions of political campaigns and movements in the Mao era is that they shaped people's perception of rural and urban areas and the social position of the group they belonged to. These perceptions continue to influence Chinese understandings of class today. The following section will use the class history in China to give two examples demonstrating how the process worked. The first example describes the class labels assigned by the Party which shaped people's perception that the revolutionary "red" class was the superior class. The second example from Brown (2012) describes how the sent-down movements shaped the perception of urban people that rural areas were a place of starvation and much inferior to urban areas. This is relevant to the question of state-led urbanisation and the resettlement of rural people because we might expect different implications for social stratification formation with different approaches to the state-led urbanisation process in Tianjin and Zhejiang.

Kelliher (1994) argues that CCP theory embedded two essential characteristics of Chinese peasants into a two-sided theory, such that the state perceived peasants' farming activities as revolutionary but their agrarian production activities as "petty bourgeois aspirations" (Kelliher, 1994, p391). Before the 1949 revolution, the CCP gained support from peasants by promoting their revolutionary image and by establishing the "worker-peasant alliance"; after

success in 1949, the CCP legitimated the subordinate position of peasants in urban industrialisation by promoting the “petty bourgeois” peasant image (Kelliher, 1994).

Although the formation of class identities and perceptions was not based on the relation to the means of production in the Marxist sense, the theory of the CCP fitted Marxist theory in terms of the Party claiming the role of leading the working class in the “worker-peasant alliance” (Kelliher, 1994).

The implementation of the theory and its influences on Chinese people’s perceptions were achieved through political campaigns and the mobilisation of the population. The following section examines how people’s perception of rural areas as an inferior place was shaped before market reform began in 1978. It illustrates, first, how the CCP changed the basis of rural class structure from land ownership to moral value; second how the CCP assigned household and individual class labels to the urban population; third, how the CCP mobilised people from urban to rural by using previously assigned class labels, solidifying the formation of a perception-based class structure.

Before 1950, the social structure in rural China was based on land ownership, in which rural population groups included landlords, rich peasants, middle peasants and poor peasants (Unger, 1984). In this social class gradient, landlords and rich peasants were the minority at the top of the rural class structure; following them were middle peasants, self-sufficient based on the land they owned and with a larger population; the majority of the rural population were poor peasants who owned little or no land and were located at the bottom of the rural class structure (Yang, 1959; Hinton, 1966; Unger, 1984).

In the 1950 land reform, land ownership of rural households was surveyed by CCP work teams and a class label was assigned to each rural household according to their land ownership before 1949 (Unger, 1984). The assigned class labels were not only for households, but also defined the social status of individuals in rural society; moreover, the system placed the previous bottom class at the top and top class at the bottom in the new rural class structure (Unger, 1984; Whyte, 2010). Previous classes of poor and lower-middle peasants were given a top class label of “good-origin” by the Party, while landlords and rich peasants were given a bottom class label of “four bad categories element” (Unger, 1984). To reinforce this new class structure, properties owned by former landlords and rich peasants were confiscated by the Party-State and redistributed to the establishment of collectives by the mid-1950s (Unger, 1984). During land reform, the CCP created a perception that private ownership, in the form of dividing farmland to individuals, was “backward”, which related to the “petty bourgeois aspirations” side of the peasant characteristics (Kelliher, 1994, p391; Yang, 1956). Thus, collective ownership was justified and a part of the property previously owned by the rural landlords became state owned and a part of it became collectively owned. This becomes important to my case studies, in particular to the changed land rights and resettled farmers’ possession of land rights in the new resettlement context examined in Chapters 5-8.

The class struggle in rural China continued in the 1960s and 1970s, still motivated by the Party, but with different aims after 1958. The objectives of class struggle changed from gaining support from the majority of the population to transforming attention of the peasants away from the economic difficulties caused by the Great Leap Forward (Unger,

1984). Thus the Party put forward the slogan “Never forget class struggle” and used peasants’ economic standing and property ownership before land reform as the base of the class structure in those two decades (Unger, 1984). The targets of class struggle included not only landlords and rich peasants, but also now involved people who did not follow the Party, who had contacts with people in the “bad class” or those who did not treat “bad class” people harshly enough (Unger, 1984).

To support “good class” poor and middle lower peasants in the class struggle, the Party justified their superior moral value from their suffering before land reform and entitled them to claim superiority in scarce resources, job opportunities, partners and life chances during 1960s and 1970s (Unger, 1984). Shirk (1984) refers to the emotional justification for the “good class” peasants as a “virtuocracy”, meaning distributing resources and life chances based on a person’s moral value, which is in contrast with “meritocracy”, i.e. distributing resources and life chances based on a person’s intellectual ability, technical skills and merits. Shirk (1984) argues that virtuocracy is often employed in the aim of political control, but that the virtocratic distribution system itself is not stable.

During the Cultural Revolution (1966-1976), people who showed moral values and commitment to revolution in their behaviour were placed in high-class positions, while people who showed opposition to the revolution were placed in low-class positions (Shirk, 1984). In rural China, revolutionary behaviours were voluntarily selling more “Loyal to Mao” grain to the state regardless of the economic situation of farmers (Oi, 1991).

After the Cultural Revolution and on the eve of market reforms, the class boundary between the “good class” and “bad class” began to blur and the faith in the class system began to dissolve. On one hand, the drive for improving economic performance required more intellectual abilities and technical skills rather than moral value; thus, meritocracy began to replace virtuocracy (Shirk, 1984). On the other hand, the material superiority and advantages which could be claimed by the “good class” label declined (Unger, 1984). This suggests that the principles of classes, particularly rural classes, are subjected to change based on the development goals of the state. This is another reason that we might expect different implications for livelihoods and class segmentation from different state approaches to the state-led urbanisation process.

In China’s urban areas, in the early 1950s, each household was assigned a class label by the Party based on the source of household income in the three years before 1949 (White, 1984). The “Five-Anti” Movement targeted the urban capitalist class, including “capitalist bourgeoisie - merchants, industrialists and business people” (Chen & Chen, 1953, pp10). This followed the “Three-Anti” Movement, which aimed to mitigate corruption, waste and bureaucratism in the Party and targeted Party cadres and bureaucrats (Chen & Chen, 1953).

The class structure in urban China in 1950s to 1970s was different from that in rural areas, in that the urban population enjoyed more social mobility and the chance to change their class label. In urban areas, apart from “family origin”, which was the property ownership of the household before 1949, urban people were also defined by individual class labels, describing their occupation status, which could be different from their household class label (White,

1984). If individuals changed their occupation or means of living, they could change their individual class labels; at the same time, in some cases a “good” individual class label was able to offset some of the disadvantages a “bad family origin” brought for an individual. As White (1984) noted, individual class labels were similar to job titles and included “worker”, “teacher”, “intellectual” or “national capitalist”. An example for the social mobility in urban China was the formation of the urban management class, which consisted people from the “bourgeois management class” before land reform who had management skills but with “bad family origins”; the urban management class also included people from rural background but who had attended Party school (White, 1984). Therefore, in twentieth-century history, urban class was often superior to rural class, and being a member of the urban class was usually a dream and desire for rural youth.

Between the mid-1960s and 1970s, various groups of the urban population were sent down to the countryside by the state. They were deported from urban areas with different claims by the state, but one major shared reason was to relieve the pressure on urban areas of food shortage and unemployment (Brown, 2012). Sending down was also used as an opportunity to promote rural revolutionary spirit (Kelliher, 1994). One group sent-down was rural workers who had joined the urban labour market after 1958, who were asked to go back to rural areas in the mid-1960s. The other groups were sent-down youth and staff of the “Clean-ups” movement, aimed at purging so-called “class enemies” in rural land reform (Brown, 2012). The strategy for these two groups to go to the countryside was virtuocracy - that it was revolutionary to go to rural areas (Brown, 2012). However, transferring people from urban to rural was also a method of punishment. Brown (2012) noted the punishment

for “bourgeois behaviour” was sending down to rural areas, for misbehaviours including food crime and trade in the black market.

The above historical records shows how the class structure was changed in the rural area, how new class labels were assigned in the urban area, and how both the rural and urban class systems were used by the Party in persuading and forcing urban people to move to rural areas in order to secure the food and job supply in urban areas. As Brown (2012) points out, the result of the state-led population movement between urban and rural areas was a widespread perception of urban areas as superior to rural.

2.9.6 Occupation, culture and perception in shaping the class system since mid-1970s

From the mid-1970s, the old class system based on family origin and revolutionary fervour, that had no connection with people’s socio-economic position in their lifetime, was gradually abandoned by the Party state. The modern Chinese class system since the 1980s has instead been based on a combination of occupation and perception. This section explains the transition of the old class system to the new one in order to understand the class transition in Tianjin and Zhejiang. It first describes the decline of the former class system in 1970s; second, it outlines how the occupation factor played an increasingly important role in the class structure formation; third, it describes the persistence of the perception factor in class formation; and fourth it analyses the formation of the new stratification system in Chinese society, asking whether state-led urbanisation is creating new classes and new class identities.

Disbelief in the class system in the 1970s was first found in the younger generation, especially the sent down youth during the Great Leap Forward who supported Mao Thought but still had to give priority in employment to the equally educated rural youth because of the class line (Unger, 1984). While the class system failed to reward the “good class” with “marginal advantages”, some peasants placed material interests prior to moral interest when they had to sacrifice one for another; at the same time, the disillusioned farmers were no longer willing to claim loyalty by supplying extra grains (Unger, 1984). Other examples include young people’s concerns about their present economic standing rather than their past, and their questioning the logic of the system whether moral status and privilege is inherited; the youth in the “good class” categories also started to ignore the class line, cross it and mix with people in the “bad class” (Unger, 1984). In addition, the material benefits the “good class” people could claim were also reduced compared to the past (Unger, 1984).

In response, the CCP concluded this loss of faith in the class system was another sign of the “backward petty bourgeois behaviour” of the traditional peasant image, rather than any kind of development; at this stage, according to Kelliher (1994), even the Party’s own perception about peasants was influenced by the widespread perception shaped by the CCP’s previous policies.

The *hukou* system played an important role in this. Its two key functions were resource allocation and identity building. This section focuses on the latter and shows how the identity building function of the *hukou* is based on the foundation laid out by its resource allocation function. Relatedly, the gradual destruction of its resource allocation function

reduces the role of *hukou* in identity building, which leaves space for other institutions, as well as opportunities for individuals to identify with alternative identities, and the emergence of new group identities. The dual structure of the income-based social class and individuals' self-perception of their identities reconstruct the boundary of social classes. This is closely connected to my research where the shift away from the rural/urban *hukou* system and the resettlement process implies the rebuilding of identities for the resettled farmers.

In the era of market economy, the previous institutional barrier of the *hukou*, which played a role of restricting rural-urban migration, began to be commoditised. This meant that many of its functions could now be purchased in the market economy. In general, rural migrants can be roughly divided into three groups according to their *hukou* status and wealth: those who have gained wealth and urban *hukou*; those who have gained wealth but have no urban *hukou*, and those who have no wealth and no urban *hukou*. Here, "wealthy migrants" refers to migrants who have enough economic capital to afford a lifestyle that is roughly equivalent to the average of urban residents.

For the few rural migrants who have gained wealth and urban *hukou* in the city, theoretically, they are the same as urban residents because they can access what can be accessed by urban *hukou* status and they can buy what can be bought in the market. For rural migrants who have gained wealth but no urban *hukou*, although they can buy services such as healthcare directly from hospitals by paying at the point of use, there are still aspects of social services that cannot be bought. One example is education. As concluded by

Goodburn (2009), apart from the higher schooling fees, which could probably be afforded by this category of migrants, there are still many other problems in migrant children's education. If migrant children apply for state-run schools, lack of urban *hukou* status means that migrants are required to present a range of documents, including working and residence permit, health certificate, social insurance certificate etc., which many are not able to provide. If migrants enrol in private migrant-run schools to avoid providing documents, their children face poor facilities, poor education quality, not to mention the risk of forced closure of these schools by the state.

For the majority of rural migrants who have no wealth and no urban *hukou*, they have highly restricted access to healthcare and education in the city. Unlike the first category of migrants, they cannot access healthcare through the urban *hukou* package; unlike the second category, they cannot afford healthcare by themselves. As a result, they have to return to their hometown if they fall ill. When it comes to education, they have no access to free state education in the city due to the lack of urban *hukou*; most of them cannot afford to provide the documents needed for rural *hukou* holders. As a result, their only options are to send their children to migrant-run schools, to leave their children in the village or to withdraw them from school (Zhang, 2002: 318).

The commodification of the *hukou* system not only gave a chance for rural migrants to work and live in the urban area, but also affected other urban groups. The most affected group was the urban working class that heavily relied on state subsidies in the planned economy period (So, 2003; Bian, 2002). Before market reform, cadres in state-owned work units were

already in a higher position than ordinary workers; apart from the status differentiation, cadres also received more state subsidies than workers (Bian, 2002). In the reform era, state subsidies reduced for workers who worked in the previous work units, but managers/professionals benefited from the capitalisation of the state-owned sector (So, 2003). This process not only redistributed resources and capital between the public and private sector; more importantly, the material-based differentiation among workers, managers/professionals and entrepreneurs gradually shifted the class line from rural-urban groups to more occupational-based categories.

In order to understand the transitional process of social stratification in the state-led urbanisation, we need first to grasp the history of class transition in China since 1978. This section briefly outlines the changes of principles in class transition in this period. The transformation of the class system to a more occupation-based structure is, on one hand, pushed by the market reform; on the other hand, carefully designed and developed by the Party (Goodman, 2014). The CCP expanded the definition of socialism from state and collective ownership to include private ownership; also, the Party detached the link between an individual's socio-economic position and political consciousness and encouraged business people to join the Party (Goodman, 2014). These efforts made it possible for the class boundaries to be based on individual's socio-economic position, which constitutes of one's income, ownership, occupation etc. (Goodman, 2014; Bian, 2002). To reinforce the socio-economic class line, the CCP promoted the discourse of "middle class", characterised by a population which has economic power and willingness to consume (Goodman, 2014). This promotion forged a perception in Chinese society that "middle class" status is what one

should aim to achieve, and the discourse of “middle class” considerably mitigated the attention to other dimensions of the society, for example the rural-urban class, state-private sector workers, managers/professionals-workers and so on. Lu (2002), from the Chinese Academy of Social Science, developed a social stratification structure mostly based on occupation:

Upper middle/wealthy

1. *State and social administrators*
2. *Managers*
3. *Private entrepreneurs*

Lower middle/middle classes

4. *Individual business owners*
5. *Professional and technical personnel*
6. *Office workers*

Workers/poorer classes

7. *Employees of commercial services*
8. *Industrial working class*
9. *Agricultural labourers*
10. *Urban and rural jobless, unemployed and semi-employed*

(Lu, 2002)

However, despite the commodification process of the *hukou* system and the increasingly important role of occupation in class formation after market reform, the perception of the inferior position of the rural population and rural areas compared to the urban population and urban area were not as easy to be changed as statuses on paperwork. This perception was not only shaped through history; a political discourse put forward by the state as the logic of development in the reform era also reinforced these perceptions: *suzhi* (素质,

loosely translated as quality). *Suzhi* is a discourse representing the social and cultural aspects of human capital that individuals possess, for example, the way people dress, behave and communicate; furthermore, it is also a way of social positioning in the political and social hierarchy, in which people with high *suzhi* are more likely to obtain more political and economic capital (Anagnost, 2004; Kipnis, 2006). However, this discourse is not based solely on the occupation or individual's socio-economic standing in the society; rather it includes the cultural capital of individuals, and as a result, is more likely to be affected by people's perceptions shaped over time. State education projects in urban and rural China that aim to improve the *suzhi* of rural populations lead to the assumption that it is primarily people who come from rural areas who need to improve their *suzhi* (Yan, 2008).

The use of the discourse of *suzhi* compromises the role of occupation in class formation; more importantly, it also undermines the social position that some of the rural population could have gained through the occupation-based class system. This applies to people with rural origins in general, and especially strongly to the rural population who work and live in urban areas, like rural migrants and – in the context of this research – resettled rural labourers. This discourse is used by various urban groups in different ways.

Rural migrants' fashion, tastes, accents, behaviours, dress code, possessions are all linked to the discourse of "low *suzhi*", which relates to their rural origin. For example, the fashion sandals worn by young female migrants as an attempt to catch up with urban Shanghaiese women are perceived by urban people as another sign of rural origin, as well as of money-orientation (Anagnost, 2004). By targeting such cultural differences, the urban poor and laid-

off workers could preserve their superior privilege by regarding rural migrants' newly gained wealth as dysfunctional, since their money cannot buy them culture (Guang, 2003). When it comes to housing selection in the urban area, the neighbourhood's *suzhi* is the most important factor after environment and price (Anagnost, 2008). Urban buyers require a similar level of intellectual and economic capital of their future neighbourhoods compared to themselves. The consequent residential clustering effect is a result of this "new gated housing development" (Anagnost, 2008).

The female migrant group in particular, suffers from overlapping discrimination stemming from their combination of rural group and female group. This puts them in the most disadvantaged position in the social stratification, even worse than rural male migrants, or urban male/female laid-off workers. Ngai (1999) highlights the specific forms of discrimination experienced by rural women from male supervisors – being blamed for being stupid, dirty and rural and being castigated for not being appropriately "womanly" and "submissive". From another point of view, discrimination towards female migrants also comes from the collision of the values represented by rural migrants in the urban context. Values promoted in the urban area include leisure, material consumption, order, urban life and fashion-consciousness, but the typical values of rural migrants are working hard and earning more money (Guang, 2003).

2.9.7 The new multi-dimensional stratification system

As discussed above, the foundation for class formation in the Chinese society shifted from land ownership to individuals' moral value and households' former socio-economic standing

in the 1950s to 1970s, then shifted back to individual's relation to means of production since the late 1970s with the commodification of the *hukou* system. Nevertheless, a new urban working class that consists of rural labourers who work in the urban area is unlikely to be formed. On one hand, the urban informal sector and farm-related employment provide alternative means of living for these groups; on the other hand, cultural factors like *suzhi* are still shaping the class structure based on people's previous perceptions of rural area and rural populations. Therefore, the class structure in Chinese society has evolved into a rather complicated, multi-dimensional stratification system with more flexible and blurred boundaries, in which the basis for class is a combination of socio-economic and cultural factors.

In the state-led urbanisation process, the whole household of surplus rural labourers is resettled to the urban or rural area. They are not tied to the rural area by farmland or rural housing anymore, but at the same time they may lose alternative means of living from farm-related income. The increased expenses of living in the urban area may also push them to rely heavily on wage employment. In the multi-dimensional social stratification system, both the occupation of resettled rural labourers and other cultural factors that shape people's perception of what it means to be rural and urban play a role in exploring whether state-led urbanisation would create new class identities and perceptions.

2.10 Conclusion

This chapter has critically reviewed the rural sustainable livelihood framework and social class theories, and their functionality for this research. Despite of the many advantages of the rural sustainable livelihood framework that make it suitable to be applied to this research, this chapter argues that by using rural sustainable livelihood framework alone is insufficient to achieve the aim of this research, which is to understand the implications of governance on resettled villagers' livelihoods.

In the first part, I introduced the sustainable livelihood framework, dimensions of livelihood, and discussed the relationship between the livelihood framework and rural development, including the critiques regarding the framework. Given the multi-disciplinary nature of this research, the rural sustainable livelihood framework provides multiple perspectives for development challenges. Then I discussed the livelihood components, as well as the relations between the components where the inclusiveness of the framework fits this research very well. When it comes to achieving a sustainable livelihood, it is important for the affected population to cope with the stress and shock that generated in the livelihood environment. Not only do specific stresses and shocks disrupt livelihoods in different ways, they also shape the coping strategies of affected people in terms of obtaining a sustainable livelihood, which has a profound impact on their long-term livelihoods. By depicting the living experience of rural individuals, the livelihood framework addresses the active reaction of the focus group and reflects an account of subjective experience, including self-perception, identity and experience.

However, the sustainable livelihood framework does not explain factors that affect the formation of its components, for example the role of governance. Furthermore, the framework is unable to capture future livelihoods after the resettlement period, nor livelihoods in a transitional context, for instance, from rural context to urban context. Therefore, this research uses additional displacement frameworks to address the inefficiency of the sustainable livelihood framework, which will be introduced in the next chapter.

In the second part of this chapter, I examined Western and mostly Chinese class theories to provide a theoretical and historical understanding for the discussion in the empirical chapters of how the rural communities are affected by the state-led urbanisation process, particularly how the new conditions in the resettlement community change the social fabric, shape new social groups and generate emerging social relations.

The next chapter reviews theoretical and empirical literature on rural development and state-led urbanisation, where I will discuss how the two antithetic approaches to rural development formulate different types of stresses and shocks, and how they affect the livelihoods of the relocated rural farmers in the Chinese context. This provides the essential theoretical background for the empirical findings in Chapter 5 to Chapter 8.

Chapter 3 State-led urbanisation, approaches and mechanisms in China

3.1 Introduction

Having examined the sustainable rural livelihood framework, livelihood components and strategies, this chapter will critically review the empirical literature on state-led urbanisation, the displacement frameworks, particularly the generation of livelihood risk, stress and shock and the implications of state intervention, in order to understand the connection between governance and livelihood implications.

Specifically, this chapter focuses on how stress and shock are generated under different state interventions, how they threaten livelihoods, as well as how they affect displaced people's strategies in coping with risks and restoring their livelihoods. .

The starting point for this discussion is a review of the existing literature on state-led urbanisation. It compares different approaches to it and how the state in each approach engages with the rural development process. This section provides the theoretical background and the precedent cases of application in China and elsewhere, as well as issues with the displacement frameworks and solutions to them. The second part of the chapter moves to the discussion of the generation of stress and shock to the livelihood components – capabilities, assets and activities. This part focuses on how stress and shock are generated during the transition of the labour market, land ownership rights and the residential built environment, and asks how the different styles of state intervention affect the formation of stress and shock. Since the forms of economic development policies are inseparable from

the form of governments, the last part of the chapter examines the motivation behind state intervention, particularly at village level, exploring what drives a certain level of state to adjust the market mechanism in a specific way. It discusses the intrinsic structure within the governance system, particularly the cadre promotion system, to understand why different places adopt different styles of state intervention.

This chapter provides essential theoretical and empirical background for Chapter 5 and Chapter 7, which compare the formulation of stress and shock with different styles of state intervention in Tianjin and Zhejiang. In response, Chapter 6 and Chapter 8 examine the reaction and coping strategies of resettled farmers.

3.2 The debate on approaches to rural development in China

China's rural challenges are the product of historical evolution of institutions, mechanisms and policies that have favoured urban residents rather than rural populations in access to employment, assets, and social welfare benefits, since the first five year plan for industrialisation in the 1950s, followed with the open door policy since the 1980. The former Chinese Prime Minister Zhu Rongji in 2000 described the stagnation of rural economic development from the mid-1980s as the "three rural issues" (*sannong wenti* 三农问题), which summarises the low productivity in agriculture, backward rural villages and the low income of rural population (*nongmin zhen ku, nongcun zhen qiong, nongye zhen weixian* 农民真苦, 农村真穷, 农业真危险). Since then, there has been much debate on the root

cause of rural stagnation, as well as solutions. Before examining the debate, this section provides a brief historical background of rural stagnation and the *hukou* system in China, which is essential for understanding the arguments of the two sides of the debate.

China has maintained a high rate of urbanisation in recent decades. Lin et al. (2014) summarised the official statistics: according to China State Statistical Bureau (2011), the urban population in 1978 was 172 million, which was 17.9 per cent of the total population in China. By 2011, the size of the urban population increased to 691 million, 51.3 per cent of the total population. Although the statistics may not be entirely accurate, considering the rural-urban migrants group and the boundary changes of the urban area, they present a general picture of the fast rate of urban growth in China (Lin, et al., 2014; Chan, 2007). This high rate of urbanisation is mainly driven by spontaneous, i.e. voluntary, urbanisation.

As mentioned in Chapter 2, spontaneous urbanisation includes rural-urban and urban-urban migration. Spontaneous urbanisation has attracted a great deal of attention from scholars. Kasarda & Crenshaw (1991) point out the relationship between spontaneous urbanisation and development theories globally, which is that the type and pace of migration is contingent on the development state of the region. Kasarda & Crenshaw (1991) also comment on the impact of the rural-urban migration process on both rural and urban areas. China's urban labour market works as a pull factor, attracting rural surplus labourers to the urban opportunities in the process of spontaneous urbanisation, but the flow of population movement would not be possible without the relaxation of the implementation of the state *hukou* system regulations. It seems that the pace and scale of population flow from rural to

urban areas in the last three decades is inseparable from the policies shaped by the Chinese states at various levels.

The factors attracting rural residents to urban areas include opportunities in terms of work, education for offspring, healthcare and many others, while push factors which encourage farmers to leave the countryside consist of financial pressure, poor living conditions, lack of non-agricultural work opportunities and education (Wang & Zuo, 1999). The movement of migrants has broad benefits and challenges for individuals, as well for the receiving and sending places (Taylor, 1999). For sending areas, while migrants are working elsewhere, the remittances they send back contribute to their rural household and the local economy (Stark, 1978; Stark & Yitzhaki, 1982). When migrants go back to rural home, they bring new ideas and skills from urban areas, creating a form of “brain gain” for the sending areas (Stark, et al., 1997; Levitt, 1998). However, although rural economy benefits from the remittances sent back by migrants working in the cities most of time, remittances may also be spent in conspicuous consumption and not invested productively, and fail to contribute to the rural economy; moreover, in some areas, there may be brain drain rather than brain gain (Taylor, 1999:65; Lipton, 1977).

Migration is usually a part of a household strategy. As it is often the young, the healthy, the motivated and the skilled who are chosen to migrate to cities as a rural household livelihood strategy (Ellis, 1998) or for self-realisation, it is usually the elderly, the unwell and the less skilled workers who stay in the countryside. From the rural household perspective, many rural migrants send remittances to the rural area to support their households, and the rural

households look after migrants' children if the parents choose not to take the children with them to the cities. For the receiving areas, migration provides the desired labour resources; therefore it will improve urban productivity (Todaro, 1969:139). However, receiving areas typically also see migrants as a threat to the established order (Richmond, & Valtonen, 1994). When it comes to integration into the urban area, while a few affluent migrants manage to join the urban middle or upper class in China, for example the successful entrepreneurs and the highly educated and skilled, most rural migrants join the urban lower class (Lee, 2007).

Despite the emergence of the new class, the residence of rural migrants in the city is usually temporary in China. On one hand, concerning the social capacity of the receiving place, certain urban areas may have limited social and financial resources to provide for this group of the population, for example education services, transportation facilities, housing supply and healthcare. When the number of new incomers outweighs the maximum capacity of the city, it causes overcrowding, poor quality of social service for the existing residents and social instability (Wang & Zuo, 1999). In China, settlement of rural migrants to Tier 1 metropolises like Beijing and Shanghai is strictly controlled by the state through the *hukou* system, but they are encouraged to settle down in medium and small cities, which have expansion plans. China uses the tier system to rank its cities. With seven tiers in total, Tier 1 cities are the largest by population and the wealthiest. Tier 1 includes the four centrally administered municipalities: Beijing (19.61 million), Shanghai (23.01 million), Tianjin (12.93 million) and Chongqing (28.84 million), based on the 2010 Chinese Census. Tier 2 cities are

slightly smaller and less affluent compared to Tier 1, and Tier 3 and the rest are descending in population size and wealth.

Discussion on the *hukou* system is inseparable from the development of spontaneous urbanisation where rural labourers migrate to work in the urban area. As outlined in the previous Chapter, the *hukou* system was initially a household registration system, but was later used to restrict labour movement from the countryside to urban areas, and residents continue to enjoy different levels of social welfare according to their *hukou* status. It is the source of the dual land system in the rural and urban areas; the separated built environment and the production activities lead to differentiated lifestyles of rural and urban residents. These divisions are also the foundation of the dual class structure in China (Chan & Zhang, 1999). Rural underdevelopment is to a large extent a result of this rural-urban division. In the 1950s, with the implementation of the CCP's First Five-Year Plan, major cities and coastal cities became the priority in industrial development and access to these places was limited to unproductive rural labourers. Rural labourers tended to float to where development was fast and the opportunities were more to gain supplemental non-agricultural income beside their agricultural production. Tension was thus generated between rural labourers' pursuit of higher income and better welfare in the cities and the state's avoidance of dispersion of capital and high costs of industrialisation caused by rural peasants.

After the failure of persuasion measures in keeping the rural inflows outside the city, the state restricted channels for rural labour intake from spontaneous to an organised and demand-based approach. According to Cheng & Selden (1994), the regulations even limited

“intra-rural and intra-urban” movements. The *hukou* system was strengthened in the mid-1950s to support grain rationing, and to make sure there was enough grain being produced in rural China to facilitate urban industrialisation. These measures intensively distinguished urban areas from rural areas and made urban livelihoods (employment, healthcare, education, housing and retirement) the responsibility of the state while rural areas were to survive by themselves. The increased gap between subsidies to urban and rural areas called for a strict classification and regulation to fix the pattern. In the late 1950s, the tension between the state’s pursuit of rapid industrialisation and the freedom of the mass population in the countryside was formed. In the 1960s, the famine caused by the Great Leap Forward intensified the state’s struggle in supplying grain for the urban population, which caused stricter implementation of the *hukou* system and more urban population were sent to the countryside. Through 1960s and until the late 1970s, migration remained limited due to the state’s strict control (Mallee, 2003).

Chan (2010) shows that reform since the 1970s has not fundamentally changed the *hukou* system. Although urban *hukou* is now granted to rural residents in areas adjacent to urban areas due to the process of urbanisation, discrimination towards people from rural areas has not been eliminated. Furthermore, since the *hukou* system is the core of rural-urban division, the existence of the *hukou* means the unequal dualistic structure has barely been changed. As Chan & Buckingham (2008) suggest, the *hukou* system can only be abolished fully if the subordinate relationship of rural areas to urban areas is fundamentally changed. Although the Chinese State Council abolished the distinction between rural and urban Chinese citizens in the announcement of the “end of the *hukou* (household registration)

system” in July 2014, Goodburn (2014) argues that the 2014 reform does not bring many benefits to rural residents and migrants, since the distinction between insiders and outsiders has merely changed from agricultural/non-agricultural to a locality-based system. Goodburn (2014) agrees with Chan & Buckingham (2008) that real *hukou* reform would require additional funding for public service provision, as well as further reform of China’s land rights.

3.3 The “left-behind” and spontaneous urbanisation

While the spontaneous urbanisation process has enriched a portion of the rural population, many challenges remain unsolved and new problems are created in China. When it comes to those who joined the urban work force, as mentioned in the previous section, most of them are the motivated, the young, the skilled and the healthy, but there is also an even larger portion of the rural population who still stay in the rural area, some of whom are stuck in poverty. For those who work in the cities, they are called “migrant workers” or the “floating population”, which describes the dilemma that they move between the city where they work and their rural home. For rural residents, they are a part of the bigger picture of the so-called “left-behind” population. There is some debate in the literature on use of the term “left behind”, regarding the relationship between the remaining rural population and migrants, and their relation to rural development and migration. I do not use the term “left-behind” here to describe those who did not migrate to urban areas, as this term typically presents surplus rural labour as a problem, and inevitably compares them to those who

migrate. This is not the aim of this research, which focuses on resettled surplus rural labourers and their livelihoods under different styles of state intervention. Therefore, I call this group “resettled farmers”, “surplus rural labourers” and “rural residents”, but not “the left-behind”. It is worth noting that, nonetheless, the focus group of resettled famers in this research is coterminous with what many scholars would call the left behind, and thus shares important attributes with them.

Another consequence of rural stagnation has been the household income gap between rural and urban areas (Wen, 2001). The underdevelopment of the rural area and income gap between rural and urban area push rural residents to migrate and work in urban areas. While extreme poverty in China is expected to be eliminated by 2022, according to the World Bank (Sicular, 2013), income inequality has increased rapidly from 1980s to 2012, with China’s Gini coefficient increasing from 0.30 to 0.55, and more than 10% of China’s total inequality is now attributed to the rural-urban gap (Xie & Zhou, 2014). In 2009, the income of urban residents was 2.33 times more than those in rural areas. When it comes to regional disparity, rural residents earned three times more in coastal provinces from 1989 to 2004, according to data from National Bureau of Statistics (NBSC, 2015).

Apart from the restrictions posed by the state, for most rural migrants, the challenges of permanent settlement in urban areas are twofold: the unliquidated rural assets and the cost of urban settlement and living. In terms of their rural hometown, farmers cannot sell their farmland, which is tied with their village membership on the grounds of their *hukou* type. As farmland is collectively owned, individual farmers and households are not allowed to trade

nor sell their portion of land. Usually they hire neighbours to farm for them or leave it abandoned, or take the loss by forfeiting village membership and losing their land without compensation (Zhao, 1999). When it comes to the cost of urban settlement and living, rural migrants can rarely afford skyrocketing housing prices, particularly in the big cities, by their labour income, not to mention that the costs of urban living go beyond house prices, for example education costs and transportation costs. Therefore, even given an urban *hukou*, it is still difficult for rural individuals to settle down in the urban area where one big hurdle is urban housing.

The result of this dilemma is that rural migrants typically either keep working in the urban area while sending money back to the countryside, where the majority of the Chinese rural households use that money to refresh their rural housing or build new, or migrants decide to go back to their rural home and start their own business. Although the countryside and the rural population benefit from either of the choices, it does not improve the productivity of rural land, which remains small-scale farming, nor the infrastructure of the countryside, and the livelihoods of the rural households heavily rely on remittance brought back by the rural migrants.

The above analysis seems to show that the key lies in how to manage the remaining rural households, and in particular whether it is better for them to resettle in urban areas or to reorganise their rural life in the countryside. For the former, it is typically an option only for households with rural migrants, but still they face tremendous financial challenge in affording urban housing and covering the living costs. As for the latter, it largely depends on

the behaviour at the village level government, which could well be incentivised or regulated by the upper-level states. These are the two fundamental approaches which have appeared in the phenomenon of state-led urbanisation in China.

3.4 Debate on development strategies

To address the challenges mentioned above, the Chinese government initiated a new set of urbanisation policies since 2006, called state-led urbanisation (Xinhua, 2014). State-led urbanisation introduces a more proactive role of the state while working with the market. Apart from policy intervention, in state-led urbanisation the state takes the initiative in reorganisation of the rural production system, spatial structure and resource allocation. The implications for villagers' livelihoods depend on what are the changes to the market mechanisms which shape their livelihood components. However, different methods of state intervention formulate different layouts of the market mechanism landscape.

My research compares the two main types of state-led urbanisation with empirical findings from four villages. The arguments of the two approaches are antithetical as to whether or not marketisation is the path for rural development. One is embodied in the social movement "New Rural Reconstruction" (NRR), proposed by a group of intellectuals at the beginning of the 2000s under the leadership of Wen Tiejun, the dean of rural development at Renmin University. Wen Tiejun published the essay "Deconstructing Modernization", which argues that rural underdevelopment is caused by the integration of

the rural areas into the urban market economy and the land privatisation process (Wen, 2007). The other approach is represented by the policy of “Constructing a New Socialist Countryside” (NSC), promulgated by the Chinese central government in 2006. The policy was promulgated in the 11th Five-Year Plan (2016-2020) by the Hu Jintao and Wen Jiabao administration, aiming to modernise the countryside, which has fallen behind the urban areas. From this year until 2020, the government promises to improve farmers’ livelihoods, advance industrial support for agriculture, tidy villages and develop democratic administration. According to NSC policies, in general, rural underdevelopment is caused by the lack of integration of rural areas into the urban market system, thus the solution for rural underdevelopment is to improve the unity of the rural-urban system and restructure rural life in order to integrate it into urban development (Central People’s Government of China, 2006). The stated methods of NSC to achieve these goals are industrialised agriculture, with urban areas supporting rural areas (Central People’s Government of China, 2006).

The major work on NSC is from Anna Ahlers, Gunter Schubert and Lynette Ong. Ahlers & Schubert (2009) argue that NSC has been effective in achieving its main goal of improving rural incomes, reducing rural population and transforming the countryside. They attribute success to the high level of coordination between policy planning and implementation. However there is a debate over the role of the special NSC offices at municipal level (Ong, 2014), county level (Ahlers & Schubert, 2009), and village level (Wang, 2009). According to Ahlers & Schubert (2009), there are four levels in the NSC framework. Apart from the national NSC framework, provincial and city governments specify a provincial level

framework; then, the county level government designs development plans for their county based on the provincial framework; finally, villages and township governments come up with specific development projects based on the circumstances of their villages and apply for funding from the county government.

The NSC approach to state-led urbanisation strengthens the role of policy making at the county level. NSC funding is allocated in a top-down manner where the provincial/city government transfers funds to the county government, which further transfers funds to village and township governments as village and township governments apply for funding jointly (Ahlers & Schubert, 2009). Ahlers & Schubert (2009) argue that although it looks like a bottom-up process, where the villages and township governments design the specific projects and apply for funding, it is actually the county governments who approve projects, allocate funding and select county-level model villages. They are important decisions for the county governments as the promotion of the county level cadres is related to the success of the county level model villages. Model villages (*shifan cun* 示范村) are showcases of rural development strategies. For the county-level cadres, promoting model villages is one of the NSC tasks and is also the dominant strategy for leading development. According to Ahlers & Schubert's (2009) findings, model villages receive a large part of the total NSC funding. For the purpose of this research, Chapter 5 and Chapter 7 analyse this in detail, focusing on the different processes of model village selection in Tianjin and Zhejiang in order to explore how the organisation of local states affect the livelihood implications.

The background which enables the implementation of NSC is China's early 2000s fiscal reforms – in particular the rural Tax-for-Fee reform (TFR). Ahlers & Schubert (2009) point out that this reform not only reduced the burden of farmers by removing agricultural taxes and rural fees, but also subsidised local governments with funding from the central government. However, other scholars argue that the impacts of TFR vary geographically across the nation, in terms of implications for local governance and villagers' welfare (Alm & Liu 2013). While in general local governments in rural China receive less revenues for providing public services, the rich/coastal provinces suffer less because their budget is compensated by the funding transferred from upper level states, as well as the revenue collected from rural industries; in contrast, the poor/inland villages' budget is rarely compensated due to the lower fiscal capacity of their upper level states as well as the lower revenue to collect from rural industries (Fork & Wong, 2005; Kennedy, 2007). As a result, the effects of TFR in reducing intra-village inequality in rich and/or coastal villages are more significant than that in poor/inland villages (Alm & Liu, 2014). This was in sharp contrast to the 1994 fiscal reform. From the start of market reform until 1994, local tax revenue was shared between local and central governments by the "fiscal contract system", in which the local government retained the rest of the revenue after transferring a fixed amount to the central state (Chung, 1994). After 1994, this system was replaced by a new "tax-sharing" system, in which the central state received a proportion of the local tax revenue (Lin, et al., 2014). At the same time, municipal governments took on increasing responsibilities in providing affordable housing and social welfare for the urban poor and the migrant groups (Wang et al., 2009). With the growth of the economy, the central state gained more and the local

government retained less compared to before 1994. Therefore, with increasing pressure to provide social welfare for migrants and urban laid-off workers combined with decreasing local fiscal capacity, local governments sought to gain more revenue by transferring rural land into urban land and benefitting from its commercial use (Lin, et al., 2014).

From the perspective of the county level state, NSC might therefore reduce the fiscal burden of local governments in China, as Ahlers & Schubert show. However, research conducted by Lynette Ong in Hefei, the capital and largest city of Anhui Province in Eastern China, provides evidence of an increasing reliance by municipal and local governments on land revenues and the financing of urban infrastructure by the governments' land-leasing income. Ong (2014) argues that when it comes to municipal governments, officials at that level are still evaluated by provincial GDP growth, of which real estate has been the major engine, contributing 20-25 percent of China's GDP (Chovanec, 2012; Ong, 2014). One important way for provincial governments to profit from the process is transferring collectively-owned land into state-owned land, which could be rented out to private developers. This is because, according to the Land Management Law, private developers can only develop state-owned land, not that which is collectively-owned. Municipal governments therefore have a vested interest in the large-scale development and urbanisation of the villages adjacent to the urban area, as opposed to smaller scale rural reorganisation. Although the rural *hukou* status of inhabitants exempts municipal governments from taking the responsibility of providing village residents with urban levels of social welfare, it also restrains their ability to reorganise the land for development (Wang et al., 2009). The rural *hukou* and the separation from the municipal government administration leave space for the village committees to

manage their own rural land rights. As the village leaders and their relatives are often holding rural land and have an entrenched interest in the land, their interest is not always aligned with that of the municipal governments. The above conflict in power protects the existing collective rural land rights while the village leaders fight for their own rights, which also protects individual farmers' land rights; on the other hand, this breeds village-level corruption and impedes the development of a fair and transparent account of village finance. As a result, municipal governments tend to initiate large-scale development to gain more control of adjacent rural land (Ong, 2014).

As for the village level governments, Wang (2009) elaborates the importance of urban villages for the livelihoods of the urban poor and village residents, particularly in providing affordable housing, employment in the informal sector and space for residents' entrepreneurial activities. However, what is the factor that decides which development path the village committee is going to take? How does the small scale approach differ from the large scale approach in re-delineating the boundaries and rights of the rural collective ownership rights? The answer to these questions appears to be closely associated with the absent of clearly defined rural collective land rights, as the sections below will make clear.

The second Chinese approach to rural development is the NRR school. This school, and particularly its leading proponent Wen Tiejun, argues in contrast to NSC that rural areas will not benefit from integration with the urban market economy, because when it is integrated into the system, it is in a weaker position compared to urban areas; therefore, the rural area would be more easily expropriated by urban areas in terms of land, labour and capital (Wen,

2001). The contemporary NRR approach is based on a 1930s movement of the same name, under the leadership of Liang Shuming, Y.C. James Yen and others, who aimed to reenergise Chinese villages against Japanese invasion (Wen, 2001). The movement was allied with neither the Nationalist government nor the CCP. In contrast to the CCP's radical land redistribution, NRR argued for strengthening the village economy and unity of groups and development of technology as a method for rural reconstruction. Today's NRR attributes rural underdevelopment to the wholesale dissolution of rural communes and the failure of the government since 1978 to continue to invest in rural collective public service institutions, for example the "barefoot doctor" system for healthcare and the replacement of agricultural education by modernised education at local schools (Wen, 2005). NRR argues that most collective communes were effective in the rural context, and that once these institutions were abandoned, public services for farmers were withdrawn. One example is the household responsibility system, which decentralised production responsibility into household units in 1984. Although this system boosted agricultural production by introducing market incentives, it also separated land use rights from collective land ownership and distributed land use rights to household units. The problem of this is that only rural collective ownership is protected by law but not the distributed land use rights of individual farmers (Wen, 2001). Therefore, NRRs' method for tackling rural underdevelopment is to limit rural-urban integration and reorganise rural life in rural areas, including the re-establishment of rural collective production and social institutions.

After promulgation of the national NSC framework in 2006, some NRR activists switched quietly to the NSC framework, while others were influenced by each other and all now

operate under the cover of the national NSC framework. As a result, it is increasingly difficult to distinguish the NSC approach from the NRR approach (Hale, 2013). Given the confusion in distinguishing the nature of development practice under the NSC policy framework, in this research, I discard the rhetorical differences and focus on the fundamental differences between the two approaches, which I take to be that NSC promotes the integration of the countryside into urban areas, with increased marketisation and incorporation of the rural economy, while NRR limits urban integration and strengthens rural integrity and the distinct rural economy. This means that NRR cases are smaller in scale and do not always involve physical resettlement. The following sections will summarise the typical models, and the consequences of both of the large and small scale development for livelihoods in the existing cases, before examining in detail how the two approaches interact with the market mechanisms and the state for the purposes of comparison of the two state approaches to state-led urbanisation.

As shown in the above discussion, there is some literature on the behaviours of the local and central states, the policy framework, and the funding mechanisms of rural redevelopment in China. However, from the existing literature, it is unclear how the livelihoods of rural farmers are affected under the two approaches. The next part of the thesis will therefore draw on the development-induced displacement and resettlement (DIDR) framework and the impoverishment, risks and reconstruction model (IRR) to provide an account of global literature on rural development.

3.5 Development-induced displacement and resettlement (DIDR)

State-led urbanisation in China is in essence a practice of development-induced displacement and resettlement (DIDR). In the large body of global literature on DIDR, much focuses on development motivated by the extraction of natural resources, development of industrial part or urban expansion, which is always accompanied by displacement and resettlement of populations living in the affected areas. In his important work on the DIDR framework, Terminski (2013) describes DIDR as a socioeconomic issue associated with loss of resources and access to resources, in which there is often an absent of social support. He asks three fundamental questions to consider for DIDR-type projects: “what is the purpose of economic development, who benefits from it, and by what means should it be implemented?” (Terminski, 2013: 26).

The core focus of DIDR projects, Terminski suggests, is about human development, human security and human rights. However, the interest of human security is often in conflict with the goals of economic development. Where economic development as a priority surpasses the importance of human rights of the marginalised communities, there is further marginalisation and continuous violation of human rights (Terminski, 2013). Among many other causes and types of DIDR, Terminski (2013) focuses especially on development-induced displacement and resettlement caused by non-natural factors, like the state-led urbanisation process. He lists factors that affect the implementation process of resettlement – “the form of government, dynamics and principles of economic development and environmental protection policies, property rights, the level of respect for human rights, the

level of development of institutions of civil society, activities of NGOs, the relation of government to social inequalities, the problem of poverty and of communities on the margins of society, and antagonisms of economic, social, ethnic or religious origin” (Terminski, 2013: 22).

One major theoretical framework of DIDR is Michael Cernea’s “Impoverishment, Risks and Reconstruction” (IRR) model. The impact of DIDR on uprooted people’s livelihoods is threefold: economic, social and psychological. More specifically, according to the IRR model, there are eight risks that threaten the livelihoods of displaced people: 1. Landlessness. 2. Joblessness. 3. Homelessness. 4. Marginalization. 5. Increased morbidity and mortality. 6. Food insecurity. 7. Loss of access to common property. 8. Social (community) disarticulation (Cernea, 2007, p1572).

Benefits of the IRR model include: first, that this framework can address the sustainability point in the livelihoods framework, because it can provide diagnosis of livelihood risks and warnings. Second, the IRR framework includes the response of the displaced population to livelihood risks, stresses and shocks. Third, this framework also records the response of individuals to the social processes, aside from tracking their response to the economic process (Cernea, 2007, p1571).

Although Cernea’s framework has not yet been applied in the Chinese context, his identified risks are acute in China’s state-led urbanisation. The economic consequences particularly feature landlessness and loss of access to common property, which is about de-capitalisation in the form of reduced access to common property resources, often

permanent. Furthermore, the deteriorating economic conditions also cause social disintegration, which I analyse in detail as part of the reformulation of social class in the new resettlement community in Chapters 6 and 8 of this thesis. In the livelihoods framework, this is related to the possession of assets. Because common resources are usually an economic feature of rural communities, the loss of this part of resources has a particularly devastating impact on the uprooted people's livelihoods. As these resources in the agricultural economy also shape people's daily activities, the loss of these resources also disturbs the daily life of resettled people, which might further create psychological impact and disarticulation and damage to social fabrics. As for joblessness, Cernea argues that the uprooted people experience difficulties in participating in the new labour market due to the lack of agricultural related employment opportunity; at the same time, creation of fit employment requires investment.

The IRR framework shows that it is essential to examine how the labour market and land-related policies are shaped, particularly by comparing the effects of the state intervention of two styles. When the new labour market or land market require different activities and daily routines from the labourers, the pattern of behaviour of individuals and as a group also changes, which requires social supports and services to adapt and evolve in a sustainable manner. Social disarticulation concerns the loss of social capital, which is often the result of changing community structures and institutions. Due to its qualitative and invisible nature, it is difficult to embed in the compensation scheme, despite the fact that it causes disempowerment of the displaced communities. Are the social impacts, marginalisation and social disarticulation similar in the case in the state-led urbanisation? I analyse this in detail

in Chapters 5-8, focusing on the state's efforts in shaping the labour market, behaviours of resettled farmers and social capital in order to do compare the implications on livelihoods with different state approaches.

When it comes to the question of who loses in DIDR, in a given society with deeply entrenched social divisions, the economically or socially weaker communities are often not entitled to the benefits of the society, and individuals in the communities are not classified with full citizenship compared to the dominant social groups. As a result, these communities and individuals usually bear more costs of development rather than benefits (Terminski, 2013). This is the case not only in those negatively affected cases, but also in projects which generate positive results. The dysfunction of agricultural related skills, importance of service industry skills, the reorganisation and reallocation of the rural assets, as well as the newly shaped activities, all challenge the existing social fabrics and the community structure, which might breed new social relations and generate new stratification in the resettled community. This is particularly important in this research, because the better-connected resettled farmers are likely to benefit much more from resettlement and compensation than the marginalised and not well-connected.

The experience from DIDR cases globally shows that governance plays a key role in minimising the risks that the displaced people are exposed to, as well as the restoration of their livelihoods afterward. In summary, good governance aims to avoid or minimise the amount of people affected by displacement, to address this from the earliest stage from the perspective of development rather than liability. The support for the displaced population's

livelihood restoration is typically composed of three parts: compensation for the cost of resettlement and lost assets, assistance during the transition period to the resettlement site; third, shared benefits of the additional economy created by the more efficient use of rural resources (Cernea, 1993). Given the risks and consequences, Cernea (2007) argues that measures to fix the damage include the setting up of national safety nets, supported by substantial national financial investment, in the form of compensation from multiple channels apart from cash compensation. Also, project planning from the start of the project in the aim of mitigating adverse effect is key. The restoration of livelihoods concerns not only how access to common property resources is lost, but also how access to new resources is created. As shown in the existing literature, the risks and consequences of displacement in each case depend on the planning, negotiation and conduct of the developer – which is the state in the case of China’s state-led urbanisation. As for the levels of state, they are different in NSC and NRR approaches, which will be discussed in detail in Chapter 5 and Chapter 7.

3.5.1 Example of DIDR in the case of China’s Three Gorges Dam

While no previous studies have applied the DIDR approach to China’s urbanisation strategies, the Three Gorges Dam case is somewhat similar to the case of the large-scale development in Tianjin and a review of the displacement literature on the Dam is therefore instructive. Of course, different from cases of displacement caused by dam building or mining projects, urbanisation features urban use of rural land, rural surplus labour and rural capital. Therefore while the other types of displacement focus on one-off compensation,

development-induced urbanisation must address the importance of setting up the new labour market, housing market and capital market that could benefit resettled people, particularly the most vulnerable groups. Nevertheless, similar to the Three Gorges Dam case, whether the most deprived groups can benefit from resettlement and redevelopment remains a question. The focal group in state-led urbanisation is the rural population who remained behind in rural areas during spontaneous urbanisation, those who held rural *hukou* and were not entitled to the benefits of economic reform at equivalent rates to the urban level. Although state-led urbanisation targets the most vulnerable social group from the previous reforms, the surplus rural labourers, this group of population is also stratified in itself.

The similarity between the cases lies in the large amount of rural population for relocation and the reconstruction of the resettlement community. The existing literature has intensively recorded the displacement of the Three Gorges Dam project, including the planning, process, and impact on livelihoods. The Three-Gorges Dam is located in south-central China, 2335 meters long and 185 meters high maximum (Huang, 2000). It was finished and started generating electric power in late 2003. The Three-Gorges Reservoir Area extends to 58,000 km², which surpasses the size of Switzerland by 16,710 km² (Huang, 2000). The Dam was built to control major floods, improve river transport, and generate electricity to a quarter more reaching a capacity of 22,400 MW⁹ (Jackson & Sleigh, 2000). Apart from the ecological and environmental impact, there was an even bigger socio-economic impact on the 1.3 million people who were displaced for the project. The implications for livelihoods included the loss of farmland, inadequate compensation for

property rights, and the loss of employment for the resettled population. A total of 40 per cent of farmers without land had to migrate and join the urban labour market (Jackson & Sleigh, 2000).

In a comparative study of post-Three Gorges Dam displacement livelihoods in two counties in Hubei province, Wilmsen (2011) shows that while it is important to promote benefit-sharing investment in the resettlement area, the key for successful displacement is to ensure that the most deprived group has access to income-generating activities (Wilmsen, 2011).

While the majority of the resettled farmers from both of the counties experienced a deterioration in livelihoods due to the lack of access to higher income-generating activities, those who were better-off were located in the county which attracted increased investment from private enterprises supported by favourable policies (Wilmsen, 2011; Zuo, 2010). The low education level was one hurdle for farmers to access high income generating employments. While those who previously relied on farming for livelihood could work in the construction sites, the payment was usually too low to cover the living expenses and the work was unstable which exposed farmers to long-term livelihood risks (Wilmsen, 2011). In cases where the employment opportunities did not match farmers' skills, the research shows a simultaneous phenomenon of high unemployment yet a short supply of qualified labour (Wilmsen, 2011). In this comparative study at the county level, Wilmsen (2011) shows the important role of the Chinese state in channelling funding to the resettlement region; however, the implementation of the share benefit economy tended to benefit ordinary rural farmers less than those who are well connected (Wilmsen, 2011).

3.6 The labour market and rural development

The Three Gorges Dam case study illustrates that the abrupt transition of the nature of work may cause economic and social risks in achieving sustainable livelihoods for those who are not used to the new daily routines and do not seek new work. For those who are successful in participating in the new urban labour market, the loss of autonomy, the highly specified and repetitive work, indoor work environment and the supervision system might all cause psychological shock. As mentioned above, one key factor that determines the success of the development programmes is whether the new labour market includes the local poor. The local government plays an important role in shaping the labour market. This section reviews the dimensions of the labour market and how they are shaped by the state intervention, and introduces the two solutions from the two styles of state-led urbanisation.

In general, the state shapes the labour market in three ways. First, it shapes the scope and boundaries of the formal and informal sectors. Second, it channels the cluster of industries in the region with funding and regulating policies. Third, it provides training programmes for the unskilled or semi-skilled workers (Burawoy, 1983). In China's planned economy before 1978, during urban expansion, state-assigned employment assisted the rural population to adapt to urban livelihoods (Wang et al., 2009). However, this state employment allocation scheme is no longer available due to the transition to a market economy and the increasing size of the population. Scholars point out that the divisions between the rural and urban population as well as between the rural and urban land ownership rights are the fundamental factors which prohibit rural residents from effectively engaging in urban living

(Biao, 2007). The next section examines how the NSC and NRR approaches shape the labour market.

3.6.1 Labour market and the two development approaches

In large-scale development in China, such as that in Tianjin under the NSC approach, the planned urban labour sector is associated with the formal sector, which favours skilled and semi-skilled workers. The establishment of the formal sector is likely to be compensated by the diminishing informal sector as well as the flexible forms of employment offered in the sector. Based on a migration survey conducted in 119 villages from thirteen counties of nine provinces in China in 1997 by the Department of Rural Development of the Development Research Centre of the State Council (DRCSC), Ma (2011) studied return migrants and found that return migrants benefit more from skills and entrepreneurial ability than savings when it comes to their employment prospects after returning to the countryside. For the younger generation who are acquainted with computers and return migrants who understand the urban and international tourist demand, have knowledge in technology and management, they benefit not only from the development of the urban labour market, but also the rural-based industries, like rural tourism (Su, 2013). This raises questions about the rest of the population who used to live by farming, and work in low paid positions because they are unlikely to acquire new technology and management skills. The generated prosperity for the former group, together with the loss of income sources for the latter group, may create new wealth gaps and intra-village social stratification. My research examines the impacts on

these different groups among the resettled population in detail in the case studies examined in Chapters 5-8.

The other deficiency of the large-scale development is the neglected risk aspect for rural businesses, particularly when the scale of the business is small and there is a lack of cluster of industry. The poorly managed expectations of farmers for the success of their businesses is a risk factor for post-resettlement livelihood (Jim & Xu, 2002). Research on established rural tourism businesses show that support from the local state is desired, especially in financial funding support, the development of industrial cluster, marketing and tax cuts (Sharpley & Vass, 2006). The background of the operators of these businesses is unclear from the existing literature. Given the complexity of launching and running such businesses, I assume the owners of businesses in my case studies are typically those who have work experience in the urban labour market before, and possessed the know-how knowledge already. As for those farmers who would like to climb the ladder by launching rural tourism businesses, it is much more challenging, particularly if they have no related knowledge or skills in the sector. I examine this in the case of Wusi village where there is a cluster of rural tourism. Training programmes provided by the local governments for farmers, aiming to help them integrate to the new urban living environment, involve the basic literacy skills, financial skills and customer service skills, and may mitigate some of the difficulties (Yuan, 2009). However, Ong (2014) also provides evidence of loss of work in this type of state-led urbanisation. Most of the villagers keep their prior employment after resettlement, but what is concerning is the situation for the young, the elderly and the female. The young people usually find work in the urban service sector, like in the restaurants, supermarkets, or

as sales people (Ong, 2014). This employment is labour intensive with no career perspectives, and with a salary that can only just meet their modest expenses. For the elderly and women, if they used to work on the farm rather than in the industrial or service sector, it is very likely that they are unemployed after resettlement and experience difficulties in finding new work because of lack of skill-set for the new labour market and age (Ong, 2014). The same considerations are likely to apply in the case of Tianjin, where the elderly and women are likely to be unemployed in the new labour market after resettlement.

The existing research shows that local community participation is a solution to share the benefit of rural tourism to ethnic minorities and impoverished groups (Wang et al, 2010). If this does not create participation in the decision making process, at least there is participation in the benefit sharing process (Liu & Wall, 2005). More importantly, organising local participation and resources sharing requires the local states to have the capacity in terms of effective financial and policy support and intervention to set up resource redistribution mechanisms (Zheng, 2008). One example from the existing case studies is the local state identifying the cultural heritage and natural resources to support industrial clusters and providing small-scale funding (Toops, 1991). The role of community participation in the state-led urbanisation process in Tianjin and Zhejiang will be examined in Chapters 6 and 8 below.

Compared to large scale development, one model of the smaller scale development method is rural tourism. Research by Zeng & Ryan (2012) shows that rural tourism is an efficient way

of boosting the rural economy in China. Rural tourism typically features the rural lifestyle with a variety of cultural, education and family activities (Bramwell and Lane, 1994). Furthermore, it extends to the rural customs, traditions, values and heritage (Pedford, 1996). The benefits of rural tourism for the countryside include increasing farmers' income, enhancing agricultural business, and escalation of access to employment for the returned rural-to-urban migrants (Sharpley & Vass, 2006). Given the fact that rural tourism provides an alternative income for farmers, which diversifies the risk from farming activities, it is an option in terms of reorganising rural life and developing the countryside without integration with the urban area.

One important role of rural tourism is as an instrument for poverty alleviation programmes. In China, rural tourism has been used as a tool for poverty reduction for the last 20 years. Such programmes are called 'Tourism-Assisting the Poor', (*fu pin lvyou*, 扶贫旅游), abbreviated to TAP (Zeng & Ryan, 2012). They typically operate with market mechanisms but initiated by local governments (Guo, 2003). Compared to commercial tourism, TAP is more than a for-profit tourist product; rather it aims to channel revenues to the poor in the region. TAP tackles precisely the poverty of deprived groups who do not benefit from economic development. The additional benefits of pro-poor tourism include empowerment of women, promotion of skill training and reduction of illiteracy (Zeng & Ryan, 2012).

In the Chinese context, one common form of existence of the rural tourism model is "*Nong jia le*" (农家乐) tourism (Happy Farmer Home) (Su, 2013). Despite the potential prosperity that could be gained by farmers, however, *Nong jia le* and similar businesses also present

challenges for the operation and benefit distribution. In terms of operation, the performing of the business requires a different set of knowledge and skills of the business operators, which include business management, marketing, operation and customer services (Sharpley & Vass, 2006). This differs considerably from the type and characteristics of the farming activities, which in the Chinese context is more labour intensive with requirements on specific and technical farming knowledge. Furthermore, the benefits of investment are sustainable only if the policy and regulation environment changes (Zhao, 2004). Scholars in China have identified four key aspects that contribute to successful TAP programmes, which include the target population, specific objectives, participation mechanism and financial management (Wu et al., 2004). Two issues emerging in the development of the rural tourism model are disparity of income among villagers and the barrier for the extremely poor to be involved in rural tourism development (Liu, 2006). The question of whether the poor can benefit from rural tourism development models thus remains unclear.

Some scholars argue that rural tourism as a development method in China is inefficient in lifting the poor villagers out of poverty (Lei, 2008; Li, 2003). However, others argue that the poor benefit from rural tourism programmes, but the benefit is limited or less than average (Lei, 2008). Research shows that this is because fewer poor farmers participate in the rural tourism programmes (Zeng, 2008). One reason for the low participation rate is due to unequal access to tourist resources and businesses; another is the requirement for financial and human capital to start the rural tourism business (Zhang, 2007). By contrast, one contradicting analysis summarises the role of the government as the “operator, policymaker and coordinator” of the TAP programmes, but the extensive involvement poses the risk that

the government monopolises the tourism programmes and excludes the private sector and local poor from sharing the profits (Zhang et al., 1999).

Despite the existing literature addressing the important role of state intervention for the success of TAP programmes and the benefit sharing result for the poor, the involvement of which specific level of the state makes a difference for the success of TAP programmes is unclear. Are the different findings related to the different levels of the state intervention? Or the different participation of the communities in the decision-making and benefit sharing process? Can intervention at the village level, particularly in collectively-managed enterprises, bring more benefits for the poor? It is important to ask this question when considering the impacts of NRR-based rural redevelopment policies, not only because TAP programmes are case based, which indicates varieties between the studied areas, but also because it enlarges intra-village social division if the benefits of TAP are reaped by the upper-end of the village strata and the local poor misses out.

Having introduced the two approaches to rural development, analysed their advantages and challenges as well as the role of the state in the process, the next section examines how the market mechanisms operate in each of the approaches, and how it interacts with the livelihood components.

3.7 Land rights and the two development approaches

Having examined the impact of the different approaches of state intervention on the labour market, this section introduces the organisation of land ownership rights in China, how the land rights are managed and how the two approaches to state-led urbanisation affect land rights. Furthermore, it explains the relation between land ownership rights and the livelihood components examined by the previous chapter. To address the rural common property problems, the empirical literature presents two solutions: one is to transfer to state land ownership rights; the other is to establish shareholding cooperatives, an innovative measure intended to solve the root problems. This section first outlines the problem and then introduces the two solutions.

Apart from the *hukou* system, land ownership and property rights are also important factors in the process of urbanisation, especially in state-led urbanisation, which is largely driven by land acquisition. Land is mainly used in two ways in rural China: as farmland and housing land (*zhai ji di* 宅基地). Farmland is used for agricultural production, while *zhai ji di* is collectively-owned land with housing currently or formerly built on it, according to Ministry of Land and Resources (2010). Farmers in China had private ownership over their farmland and housing land before the formation of the People's Commune, which was an administrative institution formed during the Great Leap Forward period (1958-60). After the transfer of farmland and housing land from privately-owned to collectively-owned, farmers lost the ownership of their land and could only rent or sell the buildings that are built upon the housing land.

Property rights in China are still separated into ownership rights (collectively or state owned) and usufructuary rights (right to possess, utilise and obtain profits from the land). The use right of construction land is associated only with state-owned land. Land use rights and land rental rights are both in the category of usufructuary rights. During the land use/rental right transference, land ownership rights still remain as collectively owned or state owned (Ministry of Land and Resources, 2004).

The two key points around the collective ownership rights are, first, the boundary of the co-operatives and, second, the rights among community members (Po, 2011). For the first aspect, it is unclear whether the decision-making body over the collective property is the township, village or the village group, since the ownership of the collective asset is not specified in the land law (Ho, 2001). This institutional ambiguity leaves the collective property rights as a whole at stake. On one hand, in the urban integration approach of resettlement when the land generates profits for non-agricultural use, the ambiguously defined collective rights are open for various interest groups to grab (Cai, 2003). In Ho's study of the case of Changping, a rural district in the suburb of Beijing, conflict over the newly generated land profit led to the reform of collective property ownership, although some scholars argue that the institutional ambiguity has mitigated conflict among different interest groups in the reform process (Liu et al., 1998). On the other hand, apart from the tangible value which could be materialised, as the previous chapter has shown, collective property often carries invisible values which are more vulnerable to change, for example the insurance function of land, which may serve as unemployment insurance, pension and medical insurance for farmers.

As for the second aspect, the collective property rights are not identified with individual farmers. The lack of clarification of individual rights leaves individual farmers' rights unprotected. As rural collective property rights are tied with the village membership (Zhou & Liu, 1988), this means that farmers lose their collective property rights when they lose village membership. In the resettlement process, particularly in the case where multiple villages are resettled to a concentrated community, individual village membership is lost during the process, and so are collective property rights. Where the individual villages are preserved, the village membership remains and so do the collective ownership rights for individual farmers. While Po (2011) argues that a new board of collective property management committee is essential in securing individual farmer's rights, cases from this research show that it is not necessarily the case where the existing village committee could also take the responsibility.

In state-led urbanisation, rural land expropriation in China consists of two parts. One part is the expropriation of the farming land and the other part is the expropriation of *zhai ji di*. Two national policies are involved in this process. One is "*zheng zhuan fenli*" (征转分离) (Tianjin government, 2009), which means that the ownership of the expropriated land is first transferred from collectively-owned to state-owned, then the local governments transfer certain construction land and unused land into agricultural land, and vice versa. By limiting the ownership of the construction land to state-owned, the agrarian land will be preserved and therefore food safety will be secured (Shen, 2007). When it comes to the transference of certain agricultural land and unused land into construction land, the central People's Government of China established another land-use policy in 2004: "increasing versus

decreasing balance” (*zeng jian gua gou*, 增减挂钩). According to this policy, increase in the land used for urban construction will be balanced by decrease in the land used for rural construction.

Most forms of land expropriation require the compensation of those who have lost land. In Lynette Ong’s research in Hefei, she found that although the forms of compensation should cover the loss of farmers during displacement from rural area to urban resettlement communities, farmers rarely received the full compensation package. In Hefei, there were three forms of compensation: land compensation fees (*tudi buchangfei* 土地补偿费) covered the loss of farming land; resettlement allowances (*anzhi buzhuifei* 安置补助费) were for relocation; and crop compensation fees (*qingmiao buzhuifei* 青苗补助费) covered lost farming income (Ong, 2014). Despite being entitled to all three compensations, Ong’s interviewees did not receive land compensation fees. As for resettlement allowances, some were compensated through self-employment allowance (*zimou zhiye buzhuifei* 自谋职业补助费), but not the 18,000 yuan basic security allowance (*jiben shenghuo baozhangfei* 基本生活保障费) that they should have received. When it came to crop compensation fees, Ong (2014) found that farmers were compensated at the lower end of the compensation scale, where the amount of compensation was expected to be contingent on the economic productivity of crops. As a result, in reality, farmers in Hefei only received two forms of compensation, pension for retired farmers and 12,000 yuan one-off payment per person as relocation allowance. It is thus not surprising that farmers reported a worsened financial situation after resettlement (Ong, 2014).

More importantly, other than an inadequate amount of compensation, Ong points out that the compensation process is rather opaque and farmers are excluded from deciding what composes the compensation package. The decision process is limited to the local governments, and the final decision is made by the district and township governments. On a larger scale, the deteriorated living conditions are not limited to Hefei where Ong conducted her fieldwork. Ong (2014) references the 2011 Landesa survey, which reflects resettled farmers' attitude to the process, covering 17 provinces. According to the survey, among villagers who lost their land during the resettlement process, around 20 per cent received no compensation at all. For those who received compensation, more than half expressed dissatisfaction, while only 25 per cent were on the "satisfied" side. As for the reasons for dissatisfaction, the majority stemmed from the inadequate amount of compensation, and others included being excluded from the compensation decision-making process, and the inferior living standards compared to prior to resettlement. Whether a similar level of dissatisfaction is also the case in Tianjin and Zhejiang is analysed in Chapters 5 and 7, which discuss the responses of resettled farmers to the state-led urbanisation process under the NSC and NRR approaches.

The deteriorated living conditions stem not only from insufficient compensation of tangible productive livelihood resources; moreover, they are a result of lack of compensation for the intangible livelihood resources. As summarised in the previous chapter, intangible livelihood resources include access and claims to resources and stock. In Ong's (2014) research, she identified a key part of the intangible resources as the "courtyard economy" (*tingyuan jingji* 庭院经济). Together with losing the rural housing is the loss of the backyard where farmers

previously grew their own vegetables and raised animals for domestic consumption. After resettlement under the NSC approach, as in Hefei, resettled farmers lose this part of self-sustained food and need to acquire additional supplementary income to support their post-resettlement livelihoods (Ong, 2014). This adds pressure and stress for the resettled farmers to participate in the new urban labour market. When they find that they do not possess the required skill-sets and experiences, this may cause psychological shock. Furthermore, failure to obtain new sources of income could result in further deterioration of post-resettlement livelihoods. Are there similar intangible resources in Tianjin and Zhejiang that are endangered? How do resettled farmers react to the loss of this part of livelihood resources? These are important questions relating to the expropriation and redistribution of land.

Thus far, I have discussed the labour market mechanism, which shapes one of the livelihood components (capability), and the land market mechanism, which formulates the possession of another livelihood component (assets). What are the mechanisms that affect the third component - farmers' activities in making a sustainable income?

Under similar financial, natural, physical and cultural conditions, certain factors encourage some farmers to engage in innovative and entrepreneurial activities. Research conducted in Hebei Province, north-east China, shows that farmers are more likely to innovate where social resources are abundant. Social resources include "the building of effective social networks and sources of information, 'enlightenment' deriving from small-group interactions, and the construction of trust relations, self-help and cooperation" (Ye et al., 2009). In a village setting, social networks are established based on credibility and

reputation in the local context, rather than law or written contracts (Ye et al., 2009).

Therefore, when the boundaries of the villages are reshaped and the composition of members is changed, the previous trust mechanism may be endangered, which damages villagers' social capital by compromising the effectiveness of them, including their credibility and reputation (Ye et al., 2009). Furthermore, the diminished social capital also scales down farmers' ability to react to the social changes, which includes social networks and information flows (Ye et al., 2009). In my research in Tianjin and Zhejiang, what may affect the social integration of the newly established resettled community is the existence of credibility and reputation, as well as whether villagers are able effectively to establish new social networks if the previous social fabric is damaged during the relocation process. The following empirical chapters will investigate this issue.

Po (2011) studied the co-operative model in Changping, a town near Beijing. The shareholding co-operatives established in Changping redistributed land in the form of shares based on community membership. The aim of the shareholding co-operatives was to reform the rural common property problems, caused by the collective ownership rights. This reform was also an empowering process, since it clarified the land ownership rights for individual farmers and entitled them to permanent rights to the shares. This process also empowered the village collectives as a whole by providing them legitimacy in defending the interests of individual farmers under their governance. While examining how the two approaches to state-led urbanisation affect land rights in Tianjin and Zhejiang, it worth paying attention to the boundaries of the village and how the land rights are redistributed to villagers after resettlement. As analysed above on village collectives, we might expect that village

committees as a collective entity protect the rights of individual villagers, especially the vulnerable groups.

3.8 Relation of village governance and village redevelopment

As I have pointed out the important role of the state in shaping and regulating the market mechanisms above, what also matters to the redevelopment of the village, and has not yet been explored by the existing literature, is the role of the village committee.

Which levels of the Chinese local states are responsible for the development of the (former and current) villages? In the discussion of the strategies of the local state, most scholars focus on higher level governments. Hsing You-tien (2010) investigates how township governments use urbanisation as a strategy in reinforcing their governance, while Anna Ahlers (2015) focuses on the role of county governments, as well as the motivation behind their officials, for example in gaining career advancement if they perform well in the rural urbanisation project.

However, township-level states may have lost some of their capacity of functioning due to budget pressures from higher levels of government, where the cadres in the township governments are redirected to the county- and village-level states (Smith, 2010). This draws the attention of this research to the lower level of the village committees. While some township cadres go to enforce family planning policies at the village, others deal with the paperwork and assessment from above (Smith, 2010). The township cadres conduct their

work in this way to meet assessment targets from the county level governments and to be promoted; however, such behaviours mitigate the role of the township government in the governance structure, while strengthening that of the village and countries.

The governance at the village level is related to both how the village committee is elected and how the village is managed after the election, including the institutional layout and procedures of post-election village governance. Most of the village-level governance literature concerns the extent of the democratic nature of village elections, particularly the formalisation of the democratic process of decision making, management and supervision in the village (O'Brien & Han, 2009). However, Alpermann (2009) and Yao (2009) rightly point out that a democratic village election does not guarantee the equal redistribution of collectively owned village resources to villagers; in other words, “access to power” does not equal “exercise of power”. Due to the clash of interests between the township governments, village committees and village vested interest groups, the fair redistribution of the collective property remains a practical challenge for village governance, the root cause for many complaints and collective actions, and the condition for the realisation of the state-led urbanisation project (Alpermann, 2009). It is thus important to examine procedural rules for post-election village administration (Alpermann, 2009).

Governance at the village level is also affected by the provincial policies and regulations in the form of implementing regulations drafted by the provincial governments (Tan, 2009). As the existing literature shows, economic incentives have important implications on village cadres’ performance in China, and village cadres tend to rank the state responsibility as their

priority before family duty, which is followed by community needs (Kung et al., 2009). The key institutional set-up and processes to assess include: first, the institutional relations between the village committee and other agents, including the village Chinese Communist Party (CCP) branch, the township government and the production team (production team might be called as “village small groups” depending on the village); second, the village representative assemblies; third, financial management and transparency of village affairs (Alpermann, 2009). There has been extensive formal institutionalisation in the field of post-election village governance which is evident by looking at codification at the provincial level. Chapters 6 and 8 particularly focus on questions of governance in the case study provinces, counties and – most importantly – villages, in order to show how these institutions shape and affect the rural development programmes.

3.9 Conclusion

In this chapter, I have provided the necessary historical and theoretical background for understanding state-led urbanisation, particularly the different development models, the operation of the market mechanisms and the role of the state in shaping those mechanisms.

The implications for the post-urbanisation livelihoods depends on how the market mechanisms interact with factors that affect the livelihoods of farmers. Capabilities interact with the labour market, possession of assets is shaped by the land market and resources redistribution mechanisms, and activities are affected by the business environment in the

new community. Focusing on the institutional mechanisms that shape the livelihood components, I have discussed how the changes in the labour market, in terms of sectors and industries, benefit groups with certain skills, experience, or education; how the transformation of the built environment, property ownership and land market favour certain groups; and how the incentive system in the governance system regulates these institutional mechanisms, as well as the role of governance at the village level. What makes a difference is the style of state intervention, whether it is initiated at the municipal level government or village level. I have explained the relationship between different levels of local states in the governance structure, and the incentive structure for cadres' performances, which is the primary driver of the different style of state intervention.

The ideas expressed in this chapter underpin the empirical analysis to be presented in the second half of this thesis. It is therefore important to note a few important implications that the sustainable rural livelihood framework and the displacement frameworks have for how research and analysis are undertaken. First, they demonstrate that empirical research at the level of village governance is essential, because village governance is where the variety emerges in terms of the formation of key institutional mechanism, like the labour market, land related policies and the layout of the resettlement communities. Second, this also means that analysis must be sensitive to questions of the drives behind the governance structure, which explains the behaviours of the village level governance entity. Navigating such complexities requires a methodological approach that can maintain a view of dynamics at the grass-root village level. The next chapter tackles this important issue.

Chapter 4: Methodology and Data Collection

4.1 Research questions

As stated in the introduction, the main question this thesis seeks to answer is: What is the impact of the two approaches to state-led urbanisation on livelihoods of resettled rural farmers? This research conducts a comparative study to examine the impact of rural development and urban expansion on the livelihoods of rural farmers. This implies also answering a range of secondary empirical and theoretical questions raised by the literature, which can help with formulating an answer to the main question. Specifically: First, who are the winners and losers in terms of post-resettlement livelihoods in each case study village? Second, what are the factors that affect and shape the post-resettlement in each village? Third, what are the drivers that formulate the factors and mechanisms that affect resettled villagers' livelihoods? Fourth, what is the impact of the changing pattern of means of living on resettled rural farmers' perception of their social status?

This chapter outlines the methodological approach I adopt to address the above questions. It begins by providing a detailed account of the research design and processes of data collection and analysis. The first part of the chapter introduces the backgrounds of the case study villages and justifies the choice of fieldwork sites. The second part reviews access to the field and engagement to the participants, the subjectivity of the interviewer in the researcher-respondent relationship and outlines the other practical challenges faced during the fieldwork. It then explains data interpretation of the integrated use of qualitative and

quantitative data. . In the final section I present a critical analysis of case-based research and discuss my strategy for comparative analysis.

The focus group of my research is farmers who were located in the villages that underwent state-led urbanisation, in which the farmers might be directly or indirectly involved. The majority of farmers interviewed in this research were relocated from rural housing to a resettlement community, either in the rural or urban area. Depending on the sites, other interviewees also included villagers who were located in the fieldwork villages but who did not resettle during the state-led urbanisation process.

4.2 Research design

The material for this research stems from 11 months of fieldwork in 2014 with six months spent in Tianjin municipality (Huaming town) and five months in Zhejiang province (Dongheng Village, Wusi Village and Qingyanliu Village). This research employed a range of techniques, including semi-structured in-depth interviews, less-structured follow-up interviews, group interviews, observation, and informal discussion with key informants. The in-depth interviews were mainly with ordinary farmers and village cadres, but also with officials in Deqing county and Chinese scholars. In addition, official (often internal) documents were collected.

As this thesis compares two approaches to the state-led urbanisation process, focusing on their impacts on livelihoods as well as the organisation of local governance structures, I

selected my case studies on the basis of their alignment with the two approaches to state-led urbanisation (NSC and NRR) and comparability between cases, as well as more pragmatic questions of access and logistics. Alignment was the key consideration, in particular due to the numerous towns and villages in China where the changes in some villages are more concentrated and condensed, while others might implement the state-led urbanisation related policies less thoroughly. As a result, villages that follow and implement most of the relevant policies in the state-led urbanisation process would reflect the NSC and NRR approach more accurately.

To ensure comparability, I considered both similarities and differences while choosing case studies, in terms of the place and the population. For the place, a similar level of GDP per capita, locations in provinces on the east coast of China, and similar compositions of possession of assets before resettlement were key considerations, while the main difference lies in the fact that the resettlement in Tianjin was to an urban area whereas in Zhejiang it was to rural areas (a key element of the NSC and NRR approaches respectively). For the population, the social composition of the villagers and the comparison of livelihoods composed of resettled villagers' capabilities, assets and activities were in consideration. Particularly, when it comes to activities for making a living, it would be difficult to compare if resettled villagers in the field sites have completely different patterns of activities.

4.3 Access and engagement

The fieldwork that provides the primary data for this thesis was conducted between March 2014 and January 2015. My research design developed over multiple stages before and after entry into the field, changing in response to key decisions on a range of issues, such as questions of access, sampling and data collection techniques. Originally, I planned to go to two fieldwork sites (one in Tianjin and one in Zhejiang) rather than four, to ensure comparability between Tianjin municipality and Zhejiang province, but my plans changed based on interaction with the locals. By including the additional villages suggested by local villagers in Zhejiang to my research portfolio, the NRR approach is illustrated by reflecting more features and variations of the approach and therefore the comparison with the NSC approach is more accurate and detailed. This section introduces backgrounds of the case study villages, and access to the villages as well as engagement with the villagers.

4.3.1 Backgrounds of the case study villages

- Huaming Town (made up of 15 former natural villages with a population of 50,000) lies in the middle of Tianjin City centre and Binhai New Area, 12 miles from the city centre, in the administration of Dongli District. Adjacent to Tianjin city centre, Huaming town was not difficult to access. Huaming new town used 3476 *mu* of land, which saved 8595 *mu* of agrarian land. The *Zhaijidi* (housing land) Exchange Programme replaced villagers' previous dilapidated rural bungalows in the natural villages with modern apartments (of 80 square metres each) in the concentrated community, which increased the household assets by 10 times on average. The traditional pillar industries before resettlement were logistics, construction and

agriculture, represented by a company founded by Huaming town, Huaming Group, with assets worth 40 million yuan and an annual output of 0.3 billion yuan. The new major industry in Huaming after redevelopment is advanced manufacturing, represented by the Airport Logistic Manufacturing Park, featuring aeronautical manufacturing, research & development and a duty-free park.

- Dongheng Village has 761 households and a population of 2827, of which 540 are migrants from elsewhere. The population is divided into 22 village teams known as *zu* (组). The *zu* has been the rural grassroots self-organisation unit in rural China since the dissolution of People's Communes after the Great Leap Forward period. Usually 20-30 households are in each team and the team is responsible for income distribution and accounting for households. Dongheng is situated in the southeast of Luoshe Town under the administrative jurisdiction of Deqing county, sometimes called the "backyard" of Hangzhou City. Dongheng Village profits from its major industries in quarrying, wine making, piano and small-scale wood processing. Agriculture is based on aquaculture of crab, shrimp, snapper, sericulture, and freshwater fish. According to data published by Deqing county, the village has 18 private enterprises and 11 collectively-owned enterprises. Village GDP in 2007 was 349 million yuan, of which 2 million yuan was collective income and village GPD per capita was 10,178 yuan. In 2011, after rural urbanisation, village GDP reached 480 million yuan with a per capita village GPD of 14,478 yuan (Deqing government, 2013).

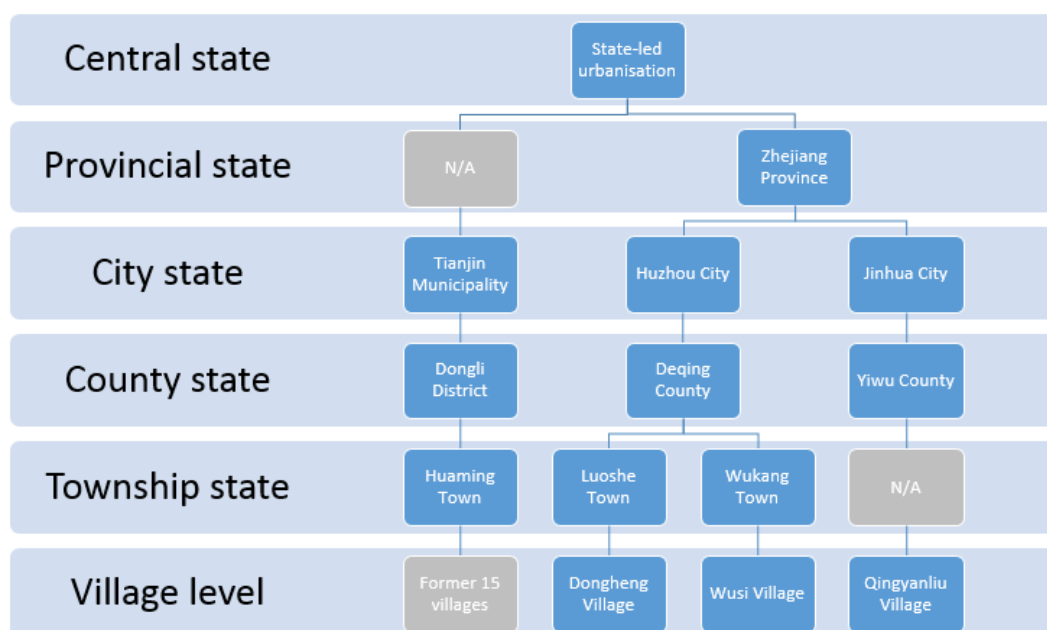
- Wusi Village has 444 households and a population of 1484, divided into 14 village teams (*zu*), and lies in the northwest of Wukang town, in the west of Deqing county in Huzhou, Zhejiang. The pillar industry in Wusi Village was traditionally agriculture. According to data published by Deqing county, in 2012, after rural redevelopment and the establishment of the village as an ecological model village by developing rural tourism, the village GDP reached 1,450 million yuan, of which 1 million yuan was village collective income and the village per capita GDP was 19,509 yuan (Deqing government, 2013). The assets in rural tourism amount to 108 million yuan with a revenue from rural tourism of 22 million yuan, and had 75,300 visitors in 2012. In 2002, Wusi Village started the land transfer scheme, and in 2007 established the first village stock cooperative in Huzhou city. In addition, Wusi Village granted farmers land ownership certificates and 100 per cent of farmland has now been included the land transfer scheme.
- Qingyanliu Village has a local population of 2000 and more than 15,000 migrants living in over 200 residential buildings. It stands at the east edge of Yiwu City, and comes under the jurisdiction of Yiwu County not Deqing like Dongheng and Wusi. Before 2005, Qingyanliu Village was a small village of 1500 population with a per capita annual income of less than 10,000 yuan. After completing the land transference programme in 2005 and transforming rural bungalows into 200 modern buildings, the village has more than 2,800 registered online stores retailing 3000 types of products worldwide. Qingyanliu Village is called “China’s No.1 online store village”.

4.3.2 Access to the field and to the participants

To access the four villages, I used different strategies based on the context of each village.

This section introduces the strategies used to access the villages as well as a brief introduction of each village (See Diagram 3 below), with further details about the villages in the empirical chapters that follow. Initial access to Huaming town and Dongheng village, the two main field sites in my research, were both via academic institutions. For Wusi and Qingyanliu village, I arrived in the village as a tourist with no contacts, then built up my connection with the villagers step by step.

Diagram 4.1: Hierarchy between central and local states in China



(Source: author's own diagram)

4.3.2.1 Access to Huaming town, Tianjin

I chose Tianjin as the fieldwork site because Binhai New Area is the third key growth pole in China. With the most funding and strategic support from the central state, selecting a village from Binhai New Area could most effectively reflect the NSC approach to state-led urbanisation.

After identifying Binhai New Area as the initial destination for fieldwork site for the NSC approach to state-led urbanisation, I struggled to decide the exact village fieldwork site.

Upon arrival in Tianjin, I had meetings and discussions with Tianjin Academy of Social Sciences where I was advised that Huaming town could best reflect the characteristics of the NSC approach in Binhai New Area in Tianjin. I accepted the suggestion because, as a model village, Huaming town is a case which implements the relevant policies of the NSC approach most thoroughly and therefore it reflects the most features of the NSC approach to state-led urbanisation.

I approached Huaming Town by walking directly into the resettlement community, which is open to everyone. In Huaming, I used door-to-door and snowballing sampling strategies to find interviewees. I interviewed 73 villagers initially, and conducted follow up interviews with 18 of them, using audio-recording for 54 and taking notes for the other 19 who declined to be recorded. For interviews from the door-to-door strategy, the venues were the participants' home. For interviews from the snowballing strategy, the venues were often on the street, in the park, where I met the participants. Duration of the interviews varies, most of the interviews lasted around 30 minutes to an hour. Group interviews lasted longer than individual interviews because participants were likely to be more open and talkative when

communicating to other villagers and the interviews lasted around an hour. In the 73 interviewed villagers, there was three group interviews with three to five villagers in each group.

4.3.2.2 Access to Dongheng village, Zhejiang

As in Huaming town, I also contacted an academic institution first in Zhejiang. My contact in the Tourism Department of Zhejiang University introduced me to an official in the Deqing County government who suggested that Dongheng village reflects the NRR approach to state-led urbanisation the best.

Having narrowed the areas I was interested in, I had to consider how to initiate access. In the four fieldwork villages of Tianjin and Zhejiang, only in Dongheng did I visit the village committee first before interviewing the villagers. Compared to other three villages, Dongheng village was relatively closed to outsiders. Because most of the factories and small businesses are concentrated in the adjacent Luoshe town, there are only a small number of businesses located in the village. The factories located in the village include piano making and furniture making, both of which tended to employ workers long-term. The small number of migrant workers were also well-acquainted with the residents in the village. As a result, there was a strong closed network established in the village, such that the villagers tended to be suspicious of unfamiliar people. To break into the network and develop a relationship with the villagers, I visited the village committee first. The head of the village committee introduced me to his team and his team showed me around the village. After becoming familiar with the village and having had conversations with some villagers, I started

conducting interviews on my own without the company of a village committee member. In Dongheng village, I interviewed 34 villagers initially, and conducted follow up interviews with 12 of them, using audio-recording for 28 and taking notes for the other 6 who declined to be recorded. Similar to Huaming town, interviews lasted around 30 minutes to an hour where group interviews lasted longer than individual interviews. Because Dongheng village is a small village, villagers in the individual interviews were often the same villagers in the group interviews where they introduced me to other villagers they were chatting to. I conducted four group interviews in Dongheng village.

4.3.2.3 Access to Wusi and Qingyanliu villages, Zhejiang

Unlike in Huaming town and Dongheng village, I did not use any official intermediary to access the two remaining fieldwork sites. I arrived at the sites as a tourist and customer of the rural tourism products

These two villages were not in the original fieldwork plan, but I added them to my research after receiving suggestions from the interviewees in Dongheng village. During my interviews in Dongheng village, some interviewees mentioned that Wusi and Qingyanliu were undergoing the same process of rural redevelopment and encouraged me to visit the two places. Having done further investigation online, then consulted with more villagers and staff from the village committee, I decided that it was worthwhile to invest time and energy to expand the field sites. I decided to include the additional cases because they would enrich the case portfolio of NRR approach, highlighting more features for comparison with the NSC approach. This provided invaluable opportunities for exploring and investigating the two

additional villages in Zhejiang. The rural redevelopment models in the two additional villages, the interaction with the villagers, and the comparison between villages in Zhejiang as well as with the former villages in Tianjin increased the angles of comparison between the NSC and NRR approaches, as well as revealing the vital importance of the village committee in shaping development outcomes. This made it possible for me to discover perspectives that were not immediately obvious from the comparison between Huaming town and Dongheng village. In Wusi village and Qingyanliu village, I interviewed 21 and 25 villagers respectively, and conducted follow-ups with 8 and 9 of them in each village, using audio-recording for 17 interviews in Wusi village and 20 interviews in Qingyanliu village, taking notes for the other 5 respectively who declined to be recorded. The duration of interviews was similar to Dongheng village and I conducted two group interviews in Wusi village and three in Qingyanliu village.

4.3.2.4 Engagement with interviewees

When it came to engagement with interviewees, the difference in background between most of the interviewees and me created several challenges. Differences included the educational background and life experience, although language was not a particular challenge. Where the majority of the interviewees had lived their whole life in the countryside with limited education, I had a more metropolitan background, higher education and international living experience. This meant that although most of my interviewees spoke Mandarin, they used different specific words and phrases in their daily life, and the topics they cared about most were not necessarily the ones I had intended

focusing on. I used several strategies to address this challenge and reduce the distance between interviewees and interviewer, which include adopting the interviewees' own phrases, paying careful attention to the topics that concerned them, building up relations through repeated contacts, forming alternative relationships as customers, and giving small gifts.

4.3.2.5 *Overcoming challenges*

Initially, while conducting the interviews, I used phrases from my interview question guide directly without rephrasing, and the villagers demonstrated that they did not understand what I was asking. For example, use of the term "social stratification" (*shehui jieceng*, 社会阶层) in questions about the post-resettlement class structure of the village led to confusion as the villagers were unfamiliar with this scholarly term. To make sense to the villagers, I rephrased the question by breaking down the question into several separate questions, using actual social groups and real people rather than abstract terms, including: first, their perception of their relationship with urban people; second, if they had a choice, whether they preferred living in the resettlement community or moving out of the community; third, in their mind, what distinguishes them from urban people. It is important that interviewees understood clearly what I was talking about for two reasons. First, it reduced the distance between interviewee and researcher, encouraging the interviewee to speak honestly, which led to the second point on trust. If the interviewee has more trust for the interviewer, they are more likely to disclose more and more accurate information as well as their personal perceptions, which they might be unwilling to discuss with strangers. Reflecting on the

interaction with the interviewees, I adjusted the questions on my interview guide and the phrases I used for the following interviews and avoided situations when interviewees could not understand my questions.

Furthermore, apart from adopting the phrases villagers used in their daily conversation and avoiding abstract phrases, I observed the conversations resettled villagers had with their fellow villagers, including the topics they most liked talking about, what they cared about, and the words and phrases they used during the conversation. By adopting these topics and phrases at the start of each interview, I effectively reduced the distance between interviewees and interviewer. I felt that these conversations made the villagers perceive me more as one of them, trying to understand their concerns and complaints, rather than a stranger from a totally different world who attempted only to collect information from them.

As a native Mandarin speaker, I found that language was not an issue during most interviews, although I could not understand the heavy local dialect in a small number of interviews in Dongheng village in Zhejiang. In these cases, I asked other villagers to translate for me. While translating, the villagers who helped with interpretation often joined in the interview as well where the interviews developed into a group conversation.

Compared with one-to-one interviews, I found that villagers felt more relaxed and tended to express their own perceptions as well as opinions more while talking in a group. Other advantages of group discussion included, first, when the villagers were chatting with their fellow villagers, they tended to compare each other's situations, for example the amount of

compensation each household received; second, villagers were more likely to discuss issues that they might feel uneasy to talk about with unfamiliar researchers, for example whether they secured waged work and which type of work they secured; third, a group discussion usually lasted longer than a one-to-one interview, which suggests that it disclosed more information. On the other side, the disadvantages of a group discussion included, first, when the group was interested in a topic unrelated to my research, it was challenging to pull the group back to the topic, compared to drawing the attention of an individual back; also, if I interrupted the flow of their discussion, the group might be reluctant to continue the conversation. I did not find that villagers were reluctant to talk openly in front of fellow-villagers; on the contrary, they seemed to be more forthcoming.

Another tactic I used in reducing the distance between the interviewees and the research during the fieldwork was giving small gifts. Before going into the field, I consulted researchers who did fieldwork in the countryside in China and asked them the proper small gifts to give in return for interviews, and they suggested soaps for washing, and recommended brands that villagers might like. Other gift ideas included chocolates, pens and notepads and soft drinks. The gifts showed my sincere appreciation for the interviewees' participation, for their time and energy, while not being so luxurious as to create a suspicion of bribery. In the villages where I conducted fieldwork, I often heard that the village committees bribed villagers or recruited a team of villagers to provide positive feedback on the rural redevelopment programme whenever there was an opportunity to promote the outcome of the reform in the villages. These occasions included fieldwork conducted by officials from upper-level states, researchers who contacted the village

committee, or visitors from other villages coming to the village to watch and learn in order to implement rural redevelopment programme in their own villages. In the above situations, the recruited villagers were usually offered 2,000-3,000 yuan each to speak according to the script and demonstrate that they were satisfied with the development results. To avoid being categorised as part of the village official group by the villagers, it was proper to offer villagers useful gifts with small material value.

A small gift was also appropriate as it did not put too much psychological pressure on the interviewees to accept or reject the request. Normally, I told the participant that there would be a small gift at the end of the interview as an incentive. With the small amount of material value in the gift, on one hand, the interviewee would not feel obliged to participate, or embarrassed that they took part in the interview only because they wanted the gift. On the other hand, if the interviewee felt that it was improper for them to disclose their opinions of the rural redevelopment process, the small gift would not leave them with the impression that I tried to obtain the information by coercion.

4.3.2.6 Managing the researcher-respondent relationship

I took two approaches to manage the researcher-respondent relationship: one was directly disclosing my identity as a researcher, and the other was indirect disclosure where I formed an alternative relationship with the interviewees first, for example a client or visitor relationship, expressing my interests in conducting interviews with them as a researcher second. For the direct approach, the connection with the local academic institutions made it much easier for the villagers to accept my interview requests, and also reduced the distance

between the interviewees and the researcher. As for the indirect approach, as well as broadening my engagement with the community I also sought to deepen it, and to form relationships that were meaningful and productive in other spheres, rather than simply based around data collection. The interaction and engagement experience was rewarding and informative, which was complimentary to data collected from the semi-structured interviews.

In Huaming town, I took part in the village's rental business cycle. While looking for an apartment to rent, I contacted the local property agency. From the constant contact and conversation with the property agent, I learnt a great deal about several things about the resettlement community: first, the supply and demand relation in the property rental market; second, the holistic view of the resettlement apartment redistribution in reality; third, the composition of tenants in the resettlement community, including the occupations of other tenants, the duration of their contracts and the reason why they chose the Huaming resettlement community as well as their concerns and plans for the future. The above information would have been difficult to obtain if I had not engaged with the property agent and developed a long-term client relationship, building up trust with her. Because it was a business relationship, the property agent was inclined to talk more about her business and did not mind answering my questions. After telling her that I was conducting research and would like to talk to more local villagers, she was also very happy to help and introduced me to some of her clients, including local villagers and tenants.

In Wusi village, I visited some greenhouses running eco-tourism programmes, as a visitor.

The identity as a visitor made it easy for the business owners to introduce me to their tourist services and products. After learning that some of them were also local villagers, I told them that I was also interested in their views of the rural redevelopment project, and they did not mind commenting on topics that were not directly related to their business. The conversation about research, extended from the client relationship, also strengthened our relationship and I remain in contact as friends with certain local business owners.

In Qingyanliu village, I was first interested in the idea of e-commerce and asked villagers their knowledge of the development of the business in the village. After they introduced me to some of the Taobao business owners, this deepened my interaction with the locals and the e-commerce business owners in the village. Later, the conversation with business owners also attracted the landlords, who were local villagers, to join in. Therefore, I broadened the type of interviewees in Qingyanliu village from being interested in the operation of the new business in the village, and expressing my genuine desire to understand the process of redevelopment.

In Dongheng village, because there was limited productive, social or cultural activities in the village, especially there were not many non-village members in the village, my status as an outsider was very obvious to the villagers. Therefore, I had to approach villagers directly as a researcher through the introduction of the village committee, at least initially, rather than forming other relationships with locals. This led to an initial difference in interviews of

villagers. I dealt with this by breaking down responses from the interviewees and used the part of villagers' answers that align with my interview question guide.

4.4 Research ethics

When it comes to the ethics of research, there are three concerns in this research, the oral consent form, recording, and being accompanied by a village committee member while conducting interviews in Dongheng village. First, all data collected and presented in this research has been anonymised, except where the informant was already a figure in the public eye who agreed to his/her name being used. During the fieldwork with villagers, I used oral consent rather than written consent forms, and I read the information sheet aloud to the participants. I decided not to use written consent forms based on the following considerations. First, as the focus group was resettled farmers involved in forced resettlement, the majority of this group were farmers, the elderly, and those who lacked the skills or desire to migrate to urban areas. This indicates that the literacy rate for this group is low, where villagers might not be able to read a written form accurately. Secondly, as asking for signature is usually a procedure for formal and legal processes, asking farmers to sign tends to increase the psychological burden for the participants, particularly raising concerns and worries over whether their answers would put them in danger. In this case, the participants would be more likely to give me answers that they expected that I would want to hear or not to reveal their dissatisfactions. Based on these considerations, I collected oral consent, which I recorded myself on paper, and read aloud the information sheet.

The second concern for ethics in this research relates to recording. Before I conducted the interviews, I asked the consent of interviews on recording. I recorded when they agreed and only took notes when they declined. The advantages of recording the interviews include: first, it allows me to have a full version of the interview transcript, which benefits the data interpretation process. Second, while played back the recordings, the tones interviewees used in during the interviews became clearer when I was not based in the fieldwork context, which enabled me to capture more nuanced information that was not conveyed by the words alone, including the attitude of the interviewees and, sometimes, the reliability of the answer provided by the interviewees.

Another ethical concern is that I was accompanied by members of the village committee when first entered Dongheng village to conduct the first batch of interviews. Although I interviewed villagers by myself without company afterwards, the information given by villagers who were interviewed while I was accompanied might be disclosed to the village committee members, and as such may be less reliable for my purposes, but is highly unlikely to bring harm to any villagers, since the most common response to this is likely to have been a degree of self-censorship.

4.4 Data collection

4.4.1 Gaining consent

Before entering the field sites, I gained Research Ethics Clearance for oral consent for instead of a written consent form, which proved to be an effective and efficient strategy at gaining reliable data while retaining anonymity if villagers so wished. With oral consent, the interview participants' signatures were not required, but I expressly asked the interviewees' consent for the interview in conversation. Because many of the interviewees in my research were farmers with low levels of literacy, using the oral consent method reduced the distance between the interviewees and interviewer; at the same time, it allowed me to collect information from people who participated in the resettlement process but would not be able to sign their name either because they were illiterate or because they were unwilling to disclose their real identity while commenting on the topic.

4.4.2 Formal and informal engagement in data collection

Aside from the kinds of informal engagement and participant observation described above, my core data was collected in the form of semi-structured interviews with resettled villagers. This research used semi-structured interviewing because of the nature of the research questions and the need to gain comparability between the four fieldwork sites. By preparing a list of topics rather than exact questions, the flexibility of semi-structured interviewing allowed me to explore participants' concerns and what they believe to be important, discovering at times unexpected facts and topics. Also, this method was able to reflect participants' perception and attitudes beyond the facts *per se* (Bryman, 2004). By using this approach, I could also follow up the participants with new questions on the topics that they were concerned with, while not compromising the comparability of the research.

Moreover, this research required detailed description on the target group's methods of access to the means of living, which varied depending on different individuals and households. Semi-structured interviewing allowed for the collection of various data, which would have been much more limited in a more structured interviewing strategy. The interview questions were divided into five broad sections (see Appendix 1), covering: 1 Personal employment situation; 2 resettlement process; 3 compensation; 4 lifestyle and self-perception of their social status after resettlement. During the interview process, I first asked respondents basic demographic and household information, for example, their age, current occupation, years of farming, *hukou* status. This information was used to split the data set in order to compare different groups by age, gender, *hukou* status and so on.

During the fieldwork, I attempted to stick to the broad questionnaire structure, while not reading out each question on the interview guide explicitly, and cover every topic in each interviews. I also sought to give residents freedom to pursue their own lines of interest where these were broadly relevant to my research topic. If the villagers chose to comment on topics not directly related to my research, I attempted to figure out why they would care to talk about it. In the scenario that the topic was interesting to my research and I should have added it in my question guide, I encouraged the interviewees to comment on the topic and asked further questions to clarify the scope of the issue. In cases where I judged that the topic was not related to my project in any way, I guided the interviewees back to answering questions on my interview guide.

Apart from semi-structured interviews, I also conducted two types of observation during the fieldwork, objective observation and subjective observation. For the former, I paid attention to the built environment and people in the village. I took pictures of the built environment and observed the layout of the streets, residential properties, commercial outlets, transportation and the entertainment facilities. When it comes to people in the village, I detected their daily routines, behaviour patterns, how they interacted with each other, where they went shopping for groceries and entertainment, as well as at a more personal level, including the way they talked, greeted each other and dressed.

As for more subjective observation, I kept a side note of my impressions and perception of the field sites. Keeping these notes had two advantages. First, leaving a space to keep a record of the impression was a reminder not to confuse the facts and my own impressions when I was recording my objective observation, which were composed of facts, numbers and texts. Second, keeping a note of the researcher's subjective impression of the field was also a source of information. It became clear to me later on when I had multiple fieldwork sites, that the comparison of my subjective impression of the field was also a good source of informal information. Based on the comparison, I discovered cues that I did not pay attention to at the first place, which led to further fruitful thinking and investigations. For example, before I arrived in Qingyanliu village, both the name of the village and the reference from the villagers suggested that it was a rural village. However, immediately on arrival in Qingyanliu, I observed the neatly organised apartments and streets, and subjectively, I perceived the resettlement community as not much different from the urban residential communities. The layout of Qingyanliu resettlement community as well as the

operation of the community reminded me of Huaming town, rather than Dongheng or Wusi village. This became relevant because Qingyanliu village is a combination of the NSC and NRR approaches to state-led urbanisation, which shed new light on the comparison between the two approaches. In Qingyanliu village, the large-scale resettlement is in line with the NSC approach, but the reservation of the village committee is a feature of the NRR approach.

4.4.3 Interviewee selection and sampling

To select interviewees, this research employed door-to-door sampling and snowball sampling strategies. In the case of Tianjin, the whole village resettled to the same building in the newly built town while in the case of Zhejiang, those who resettled in rural areas moved into the same building as well. Therefore, I located the buildings for resettled farmers first and knocked on every other door to conduct interviews. Accompanying the door-to-door sampling strategy, I also occasionally used snowball sampling, asking those whose doors I had knocked at to introduce their relatives and friends with resettlement experience to me. The snowball sampling strategy expanded the data set and also helped me earn trust from the new participants. However, the disadvantage of snowball sampling lies in its possibility of generating bias, since participants are more likely to share the same background, limiting the coverage of the research. To mitigate the bias, I identified the socio-economic background and their demographic characteristics while using the door-to-door sampling strategy; then employ a targeted snowball sampling strategy to people in different positions on the social spectrum. Interviews were generally held in people's homes or in the street, or in the park nearby, where the residents could feel relaxed and in a familiar setting.

4.5 Data interpretation

I used a combination of qualitative and quantitative analysis of the various sources of data I obtained from the field. The main approach to the interpreted data was comparative analysis and case studies. The sources of data include semi-structured interviews, follow-up interviews, informal engagement with the villagers, field notes, observation, key contacts, and the documents as well as brochures I fetched from the fieldwork sites.

4.5.1 Qualitative analysis

The majority of the data from fieldwork was semi-structured transcript. To analyse the qualitative data generated from semi-structured interviews, I developed a set of codes. First, I categorised the content of transcripts according a set of pre-determined categories before fieldwork, as well those which had emerged as I conducted the research; then I searched for common themes that repeatedly appeared in the transcripts. After that, I built up my analytical framework, conducting further interviews to adjust the categories and make comparison with the previous analysis.

While I kept notes and recording of the interviews, I also noted down interesting and usual situations I observed in the field notes that were not covered by the interview guide. I found this was particularly helpful while I was attempting to recreate the conversations with the interviewees while writing up the thesis. By reviewing the interviews, the scenes and memories, I often found something new and interesting that I had not noticed while working in the field. I also maintained some key contacts from the field. When I had information that

I was unsure about, I contacted them through phone calls, asking their opinions. They were also a good source of updated information of the latest development in the villages after the end of my fieldwork period.

4.5.2 Quantitative analysis and multi-strategy approach

Another strategy employed is combining the qualitative and quantitative data analysis methods. In the interview, before the semi-structured interview, I collected quantitative data by asking basic social background questions. By analysing this information in terms of descriptive statistics, I was able to group my interviewees' interview answers and explore more patterns. By focusing on these broader patterns rather than the micro-level exact answers, I overcame difficulties in comparing different data based on different fieldwork contexts.

4.5.3 The relational comparative approach to case studies

My topic is inherently comparative and also case-based, on the assumption that analysing and comparing the four village case studies in the two approaches to state-led urbanisation can yield findings that are relevant to wider questions of the implications for livelihoods. Compared to the traditional comparative approach, this research takes a relational comparative approach. A traditional comparative approach focuses on describing and explaining different socio-economic phenomenon between the comparable, including places, social groups and societies (Ward, 2010). The comparative approach has several advantages: first, analysing and comparing multiple patterns and scenarios can stimulate

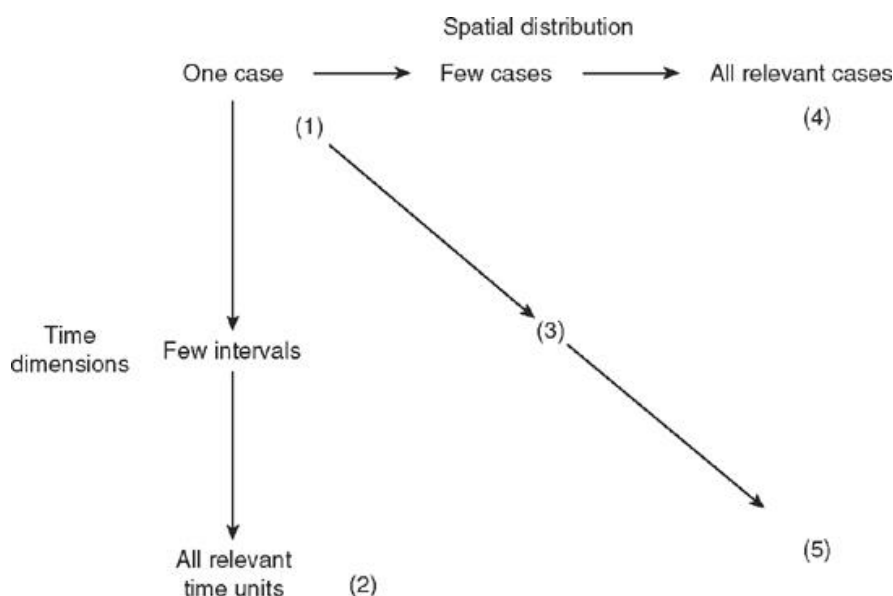
discoveries that would not be identified in a single case study; second, comparing reasoning explains phenomenon that can hardly be understood in a single case study (Pickvance, 1995: 36); third, comparison also highlights the meaningful variables in a case study by reducing the complexity of real life, which is constructive in further theoretical discussion (Sartori, 1991). It is worth noting the trade-off between the number of case studies selected and the variables in comparison (Przeworski, 1987), as well as considering both internal analysis and external analysis. While internal analysis focuses on understanding each single case, external analysis explores the similarities and differences between cases (Pennings et al., 2006).

However, other scholars have identified the weaknesses of the traditional comparative approach, including Sayer (1984) and Pennings et al. (2006). Although the traditional comparative approach, connecting internal and external analysis, is adequate in discussing elements embedded in a phenomenon, for example governments, social groups and institutions, it often fails to explore the driving forces behind the phenomenon. Other weaknesses include, first, the challenge in comparing different geographical scales and multilevel government structures (Savitch and Kantor, 1995); second, the separation of the variables in comparison, leading to discrete analysis (Pennings et al., 2006); third, limited understandings of causation that focus only on certain aspects of the case study, for example either economic development or social welfare (Pennings et al., 2006).

Based on this ground, Sayer (1984) and Pennings et al. (2006) argue for the use of a relational comparative approach, focusing on causal powers and liabilities. The relational comparative approach identifies the drivers of causal relationships based on comparison

(See Diagram 4.2 below). In particular, behaviours and motivation of the drivers shapes the relationship between the driver and the causation relationship.

Diagram 4.2: Relational comparative case studies



(Source: Pennings et al., 2006)

Using the relational comparative approach has several benefits for this research. In my research, the impacts of NSC and NRR modes of state-led urbanisation on livelihoods seems sharply different, in terms of the built environment, the compensation composition, the labour market constructed and the reaction of resettled villagers. Nevertheless, using a relational comparative approach, I focus not only on comparing the trajectories between case studies and their interconnection, but also, and perhaps more importantly, on the drivers and mechanisms behind the trajectories of each case study. The result of such analysis is fruitful. While the existing literature separates the analysis of the state behaviour and the study of the livelihoods of the resettled population, this research connects the two

parts of the research. Not only does this research identify the important role of the village committee in driving the divergent impacts on resettled villagers' livelihoods after resettlement, it also discovers the key mechanisms that shape the relationship between the crucial driver, the village committee, and the broader state-led urbanisation process, and the consequent livelihoods of the resettled villagers. Therefore, the relational comparative approach helps the comparison to focus on the two approaches to state-led urbanisation (NSC and NRR), given the various contexts of villages at different sites.

4.6 Conclusion

This chapter explained the methodologies employed in this research. As outlined above, data collection is primarily based on qualitative interviews and ethnographic research conducted with residents in four villages, located in two provinces in China. Underlying the research is the assumption that a comparison of the two state-led approaches might yield insights about the relation between the livelihoods of resettled villagers and the particular state-led urbanisation approach, particularly the role of the state, that are applicable beyond the cases themselves. My approach to case comparison is based on Pennings et al.'s (2006) concept of "relational comparative approach". This research recognises villages as comparable, especially the behaviour of the village committee, organisation of the local state structure, mechanisms of livelihoods, including the labour market, land asset forms and redistribution methods, response of villagers to the resettlement process and formulation of the new identity of the resettled villagers. The analysis of the role of the state

in constructing market mechanisms, the interaction of market mechanism with resettled villagers, and the formulation of new identity are case based and can hardly be “transferable” to other contexts. The comparative analysis of the two approaches and four case studies is therefore likely to reveal similarities and differences between different state approaches to state-led urbanisation process as well as the implications for livelihoods.

Alongside practical considerations, I selected two village case studies, Huaming town in Tianjin municipality and Dongheng village in Zhejiang, based on their comparability, while I selected the other village cases studies in Zhejiang during the fieldwork based on information collected from the interviews. While all four of the villages are located in the east coast of China with established village administration, they differ in terms of proximity to the city centre, resettlement process and time, local economic context, the importance of the village committee and its relation to other level of local states. Although the comparison does not identify all the different dimensions, it provides a strong comparative lens for observing the interactions and impacts of the different factors in specific contexts.

Chapters 5, 6, 7 and 8 will analyse and compare the cases across the three sub-questions identified in the introduction, with the former two chapters focusing on Huaming town in Tianjin and the latter two on villages in Zhejiang province. The first empirical chapter examines the role of the state in the NSC approach to state-led urbanisation in Tianjin. The second empirical chapter focuses on the livelihoods of resettled villagers in Tianjin, using the livelihoods framework to analyse their possession of assets, capabilities, and activities in making a sustainable livelihood, as well as self-perception and identity formulation. The

third chapter is parallel to the first, as it examines the role of the state in the NRR approach to state-led urbanisation in Zhejiang. The fourth empirical chapter is parallel with the second, as it unveils the livelihoods of resettled villagers in the three villages in Zhejiang as well as their changing self-perception and identity. Finally, the concluding chapter summarises the key findings, and present a discussion of comparisons and contrasts.

Chapter 5: The New Socialist Countryside mode of state intervention in Tianjin

5.1 Introduction

Chapter 3 argued that the combined use of the rural sustainable livelihood framework and displacement frameworks, with special attention on governance, reveals the drivers of various livelihood implications. This chapter discusses the role of the state in the Building a New Socialist Countryside (NSC) approach to state urbanisation paying special attention to the actions of local states at various levels. Considering the role of the state, it analyses the existence, motivation, behaviour and implications of state intervention during state-led urbanisation.

This chapter applies the Development-induced Displacement and Resettlement (DIDR) framework to analyse shock and stress, and brings Cernea's (2007) IRR model to the Tianjin context, where the risks are re-grouped and new shocks and stressed are added against the specific livelihood context and threats in Huaming town with NSC approach to state-led urbanisation. For example, Factor 5 (increased morbidity and mortality) from the Cernea (1997) model is excluded, as this thesis focuses on the economic, social and cultural perspectives of impact, and since children and young adults (<18 years old) were not included in the fieldwork. This chapter categorises the seven remaining risks into two stages, during the resettlement process and afterwards, and focuses on two aspects of the impacts, landlessness and joblessness, where the former has consequential effects of homelessness, food insecurity and loss of access to common property. This thesis not only examines the risks and the response of the state, but also uses the livelihoods framework in the next

chapter to reflect the active response from the resettled population. In the discussion of livelihoods after resettlement. This chapter examines the process of marginalisation and social (community) disarticulation and extends interpretation regarding social stratification.

To highlight the development of livelihood risks, stresses and shocks under the transitional context from rural villages to urban resettlement communities both during and after resettlement, this chapter assesses state intervention at each stage. First, it explains why Huaming town was chosen for development and urban expansion; then it outlines the development of Huaming town, as driven by the leadership of the provincial government, which reshaped the configuration of the rural space and changed the key market mechanisms as mentioned in earlier chapters. To transfer rural land for urban use, the labour market was reorganised given the changed cluster of industries, the land rights were transformed from collective-owned to state-owned for construction purposes, and the villagers were resettled to a concentrated urban community. However, these conversions created risks, stresses and shock at the individual/community levels. The chapter moves to discuss the generation of risks, stresses and shocks at the individual level from two aspects, the mismatch of the new mechanisms and the established lifestyles at the individual level, and the loss of value of the previous rural assets during the transition.

This leads to the next chapter, Chapter 6, where I present empirical findings on the outcomes of livelihood risks, stresses and shocks at individual level in NSC approach in Tianjin, as well as individual and communities' strategies in coping with them.

5.2 Setting up the Tianjin Binhai New Area model

As mentioned in Chapter 4, Huaming town, a national-level strategic development zone, is located in Tianjin. However, as Tianjin is not the only strategic area for North China, it is not immediately clear why Tianjin became rather than other northern cities. Nor is it obvious why Huaming town was chosen by the Tianjin municipal government for development and urban expansion. In particular the motivation behind scaling up the project to national level, which meant establishing Huaming town as a national model of state-led urbanisation in China, is not clear. In order to understand these strategic decisions, it is necessary to consider the development background of Tianjin Binhai New Area (TBNA), the process through which Huaming town was selected as a model village for the state-led urbanisation project, as well as the transformation of the governance structure that is related to Huaming town.

5.2.1 Tianjin Binhai New Area

One of the most important drivers behind the establishment of TBNA was the interaction between cadres from the central government and Tianjin municipal government, in which lobbying by the Party Secretary of Tianjin to the then-Premier Wen Jiabao, and the latter's personal ties to Tianjin, were key factors.

The primary development idea of TBNA dates back to 1986 when the Tianjin municipal government established the TEDA – Tianjin Economic Development Area. However, the national development strategies focused on the south, west and central regions of China in

the following two decades, including projects like the Shenzhen Economic Development Zone, Western Development in 1999, and Rise of Central China in 2004 (Zhu & Sun, 2009). It was not until 2002 that the Party Secretary of Tianjin, Zhang Lichang, was elected as a Politburo member and invited central government cadres to visit TBNA, including the then-President Hu Jintao and Premier Wen Jiabao (Zhu & Sun, 2009). Moreover, Premier Wen had personal ties with the region, as he was born in Tianjin and attended Tianjin Nankai High School. The development plan of Tianjin, the Overall Urban Development Program of Tianjin (2004-2020), was approved by the State Council after Wen's visit in 2005, and the State Council went on researching the development plan for TBNA (Zhu & Sun, 2009).

TBNA is now a multi-layer entity composed of 9 functional zones, 2 ports, 19 subdistricts, 7 towns, 2 districts and 1 administrative committee. The administrative reform since 2009 abolished the previous Tanggu, Hangu, Dagang districts, but Dongli district and Jinnan district, partly occupied by TBNA, remain. Administrative districts are local governments, reporting directly to the Tianjin municipal government. Subdistricts (*jiedaobanshichu* 街道办事处) were formed from the previous villages, with some integrated into others, at the same administrative level as villages. In addition, Tianjin Port and South Tianjin Port were subordinated to Tianjin State-owned Assets Supervision and Administration Commission (SASAC) and run like a state-owned enterprise (Zhu & Sun, 2009). The nine functional zones are as follows: Advanced Manufacturing Zone, Airport-based Industrial Zone, Binhai High-tech Industrial Development Zone, Seaport-based Industrial Zone, Nangang Industrial Zone, Seaport Logistics Zone, Coastal Leisure & Tourism Zone, Sino-Singapore Tianjin Eco-City and Central Business District.

5.2.2 Model villages and precedent Xiaojinzhuang model

History repeats itself. A similar story happened 40 years ago in the village of Xiaojinzhuang in Tianjin, also set up as a model village as a result of the interaction between central leaders and Tianjin municipal leaders. Dating back to 1974, during the Cultural Revolution period, Mao's wife Jiang Qing, then Minister of Culture, promoted the anti-Confucius campaign against political enemy Lin Biao. Tianjin municipal cadres encouraged Jiang Qing to visit after identifying Xiaojinzhuang as a model village for Jiang's campaign, bringing Xiaojinzhuang to the national level politics (Brown, 2012).

Xiaojinzhuang was a village located in the north of Tianjin, 30 minutes' drive from Baodi county. After the difficulties in promoting the campaign in another larger village where farmers were unaware of Confucius's works and unmoved by the campaign, Tianjin municipal cadres thought a smaller sized village would be easier to control, so they encouraged Jiang to visit Xiaojinzhuang (Brown, 2012). For the farmers, a visit of a central leader, particularly Mao's wife was an honour. Wang Zuoshan, the then Xiaojinzhuang party secretary, hosted the visits of Jiang and other central cadres, and promoted the Cultural Revolution to demonstrate his loyalty. He was promoted to County level, even becoming a standing committee member of the Fourth National People's Congress in 1975 (Brown, 2012). To impress Jiang, Wang and villagers engaged in poetry-writing and opera-singing instead of farmwork (Brown, 2012).

The fall of Jiang Qing and the Gang of Four, as well as nationwide decollectivisation programmes, meant that Xiaojinzhuang missed its chance of transforming into a prosperous

village (Brown, 2012). Studying this historical case offers us insights into the contemporary case on points we might not otherwise notice. There are three points: first, similar to Xiaojinzhuang, Huaming town in Binhai New Area is also next to Beijing, the centre of political power; second, the Xiaojinzhuang case shows the important implications of cadre motivation for the development path of a village; third, the Xiaojinzhuang case also highlights the relationship between the upper and lower levels of local states, especially the consequences of a top-down-only approach to village governance for the livelihoods of farmers. Although the development of the TBNA was promoted by the Tianjin municipal cadres, the transformation of Huaming town is part of the expansion of the development area, and the expansion of the Tianjin urban area has incorporated both labour and land in Huaming into the development zone.

5.2.3 The speedy transformation of Huaming town

The development of Huaming town was under the leadership of the then-Tianjin-mayor Huang Xingguo. The reason behind choosing Huaming town as a model for state-led urbanisation was in response to the demand for land for the Airport-based Industrial Zone, which is an integrated function zone of TBNA. The pace of transformation of Huaming town from a small rural town of suburban Tianjin to a model town of state-led urbanisation was extremely rapid, not only in terms of the transformation of the built environment and the industrial cluster, but also in terms of the changing livelihoods of rural residents. The relocation of the rural residents, as well as the transition of their productive activities, lifestyle and leisure activities altogether took 2-3 years (Ma & He, 2015). The transition has

been multi-faceted, where the built environment was transformed from dispersion to concentration, and the industrial layout from agricultural to non-agricultural.

Image 5.1 Huaming town functional zones map



(Source: Huaming town brochure)

Huaming town is a sub-district-level town in Dongli district, which has 9 sub-districts in total.

In Huaming town, there used to be 15 villages. After resettlement, the villages were displaced into one resettlement community (See Image 5.1). Moreover, the village committee administration was abandoned and replaced by a newly founded urban neighbourhood committee, appointed by Dongli District. Huaming town is also re-ranked at sub-district level, which is managed directly by Dongli District. As for the previous village committee, the strategy of gradual fading out is employed. After re-structuring of the administration, the village committee is reserved temporarily and co-exists with the newly established urban neighbourhood committee, participating and cooperating with the urban neighbourhood committee in managing the daily operation of the new urban neighbourhood and shareholding reform. Like the existing literature suggests, it is Dongli

district, which is at the county level that is responsible of organising the investment opportunities, governance restructuring and implementing other plans from Tianjin municipality.

Members of the resettlement committee expressed in interviews that they had explained the resettlement process to villagers door-to-door and face-to-face before resettlement began. However, not all villagers agreed with the resettlement committee's statement. While some expressed their expectation for a clean and neat urban living environment and reckoned that resettlement had improved their living conditions, particularly as it satisfies their demand for new housing, others were dissatisfied with how they were informed about the process. Some resettled farmers considered the resettlement process to be opaque, and complained that they were only passively informed and involved, which is reasonable given the short timeframe of the resettlement project. As one female villager in her late 40s with no urban skill-set said, "We ordinary villagers did not realise what was happening while resettling, and it was too late when we became aware what was going on: the new apartments were all allocated. Now our status has changed, we lost our farming land and got no money." (Interview HM003).

5.2.4 The new Huaming Town resettlement committee

The new Huaming urban neighbourhood committee is a resident self-managing organisation, 1 for each 3000 households; committee members are elected by residents. The committee is composed of four offices. Party politics office is responsible for organisation of the CCP governance work, task assessment, military and women related work. Economic

development office handles economic planning, attracting investment, accounting and auditing. Social work office focuses on managing social welfare and charity, culture, hygiene, disabled people assistance. At last, urban governance office oversees security, environment, food safety, Huaming Town Street governance (See Diagram 5.1). The committee has four governors who are previous town-level and district-level cadres, responsible for the four departments, and other 5-9 committee members.

Diagram 5.1 Huaming town new urban neighbourhood committee



(Source: author's own diagram)

Apart from the new urban neighbourhood committee, Huaming town also established neighbourhood and residents team and asset management companies. As for the neighbourhood and residents team, each 8 to 11 buildings (around 300 households) is one neighbourhood; each 1 to 2 building doors (around 30 households) is one resident's team. The head of neighbourhood and the head of resident's team is elected by each neighbourhood and residents team.

As for the asset management company, each village established one company, making 14 in total. For example, in the case of Guan village, it had 36 shareholder representatives and six investors. The shareholder representatives were selected via democratic procedure, where every 10 households recommended one representative, to make up the 36 shareholder representatives. The asset management companies asked Huaming town government to manage a part of their assets, where the Huaming town government gave profits back to the company and the company shared them with individual villages. In this way, individual farmers' shareholding income came to depend on the assets of the asset management company with which they are associated, i.e. their previous village membership. For instance, in 2013, dividends for farmers from the former Guan village were 8000 yuan/person per year but only 1000 yuan/person for former Huzhang villagers. This was mainly due to the fact that the Guan village asset company had assets of nearly 0.9 billion yuan; in comparison, Huzhang village asset company had assets of around 15 million yuan. The big difference in assets can be attributed to villages' possession of assets before resettlement, which was a result of different economic development in each village.

5.3 Carrying out the resettlement plan in Huaming town

In carrying out the grand development plan in Huaming town and establishing Huaming as a national model, the challenge of livelihood risks, stresses and shocks lies in the use of land and coverage of the cost. The Tianjin municipal government approached the development through "land balance" and "capital balance" policies. The major focus of the policy

guideline was to make sure the new urban assets distributed to villagers equalled the value of their previous possession of rural land, and the funding for the urbanisation project was abundant.

As explained in Chapter two, “land balance” indicates the balance of increasing urban construction land and the decreasing rural construction land. This was implemented in Huaming town since 2005, where the household responsibility system was retained and the total amount of arable land kept the same. In Huaming, the land balance concerns rural construction land (12,000 *mu*) rather than farmland. In the implementation of the state-led urbanisation project in Huaming town, the increase of urban construction land matches the decrease of rural construction (Yang & Ruan, 2011). The other initiative, “capital balance”, represents the funding model of Huaming development, via bidding at auction (*zhao pai gua*, 招牌挂). The development project was funded mainly by revenue from operating the land led by the real estate developers, where rural residents moved into the apartments first and real estate developers collected the revenue from business rental income from the Airport-based Industrial Zone (AIZ). According to the plan, the cost of construction amounted to RMB 3.7 billion yuan, which is covered by the RMB 3.8 billion yuan revenue from the corporate tax and rents paid by companies in TBNA. However, in reality, sufficient income has not yet been generated to cover the cost, and the RMB 2.2 billion from the Development Bank still needs to be repaid, of which RMB 400 million should have been repaid in 2008 and RMB 600 million in 2009 (Yang & Ruan, 2011).

To make this plan work and achieve “capital balance”, the industrial cluster layout in the Airport-based Industrial Zone needed to be restructured from agricultural industry to non-agricultural sectors in order to generate rent. Compared to the agricultural sector, the manufacturing and R&D sectors generate more return, as well as, in theory, streams of employment for the resettled farmers. On the other side, to achieve “land balance” and the transition of rural construction land to urban construction land, land reorganisation was required, consolidating dispersed land and updating its administrative status. However, the decision making structure within the TBNA is complicated, and conflicts exist in the reporting hierarchy. This is due to the overlapping of functions between administrative departments, particularly between the TBNA and each independent district, and between the central government and Tianjin municipal government. Although the administrative structure was reformed in 2009, where the previous Tanggu district, Hangu district and Dagang district were abolished, the two districts that were preserved, Dongli district and Jinnan district, now partly overlap with the TBNA not only spatially but also in terms of administrative governance.

Before the administrative reform in 2009, TBNA Administration Committee was simply a coordinating body, subordinate to the Tianjin municipal committee and Tianjin municipal government, and without its own fiscal budget. After the administrative reform, the TBNA Administration Committee gained administrative power over the districts in its administration. However, as Dongli district and Jinnan district partly overlap with TBNA, they were not abolished during the reform, and as Huaming town is located in Dongli district, the overlapping of administrative function over Huaming town still exists. In the case of

Huaming, the Administration Committee of TBNA stands between the Tianjin municipal government and Dongli District government. Because Dongli District and the Administration Committee of TBNA are at the same administrative level, the bureau level, Dongli District does not need to follow instructions from the TBNA Administration Committee.

The process of the resettlement was mainly planned by the Tianjin municipal government. Apart from setting up the urban neighbourhood committee, the municipal government also guided and supported the project by designing the operation system, theories, carrying out policies, operation modes and research.

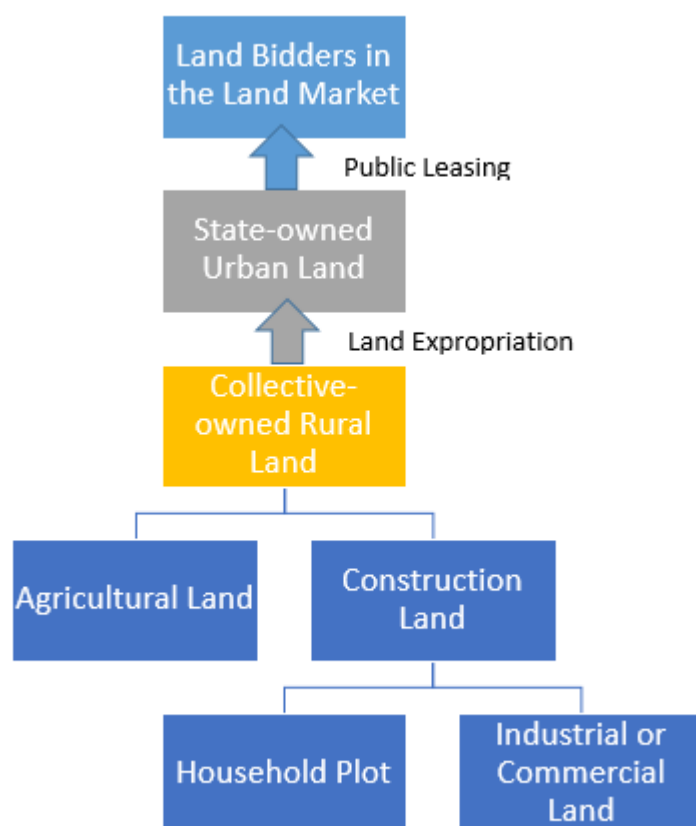
5.3.1 Change of land rights and the village boundary

Apart from being driven by the industrial cluster expansion, the land rights change was also driven by the provincial state's endeavour to improve the efficiency of the use of rural land. In the dual-track land system, while sale of buildings on urban land are allowed in the land market, those built on rural land are banned from the market. Buildings for residential use are called property-limited houses (*xiaochanquan fang*, 小产权房). Property-limited houses are only legally allowed for residential use, but cannot be sold or mortgaged (Zou et al., 2014). Therefore, to make the rural land available for industrial use and to construct the resettlement community on it, the land rights had to be changed from collective to state ownership.

As Diagram 5.2 below shows, there are two types of land rights, state-owned urban land and collective-owned rural land. The focus of land expropriation is farmers' farmland

(agricultural land in the graph) and household plots of land, where the latter is one type of rural construction land. Because the expansion of the Airport processing zone requires urban construction land, the collectively-owned rural land needs to be transformed into state-owned land. By setting up asset management companies as mentioned above, village assets are still collectively owned by the village company where the shareholders are the villagers; therefore, it is not a de-collectivisation process. However, this process involves land expropriation and the reshuffle of the spatial allocation of land, which creates disruptions.

Diagram 5.2: State and collective land rights in Huaming Town



(Source: author adapted from Zou et al., 2014)

Associated with the breaking down of the existing pattern of land use is the dissolution of individual village boundaries. The three parts of the administrative transformation (*san gai yi hua*, 三改一化) since 2011 in Huaming town include, first, from the collective village economy to shareholding company; second, from rural *hukou* to urban *hukou*; third, from village committee to urban residents' committee. As villagers used to live on the land that was scheduled to be merged into the Airport-based Industrial Zone, they were required to move out of the land to the resettlement community as a result.

For resettlement, Huaming town established a concentrated urban community where villagers from 12 villages, including 10,000 households and around 35,000 villagers were resettled to the same community (Tianjin Land Bureau, no date). The newly built urban community has 22 compounds and 384 buildings in total. The 22 compounds are identical, with new similar names. Along with the reshuffle of the villages, the administrative boundary of the village was disassembled; the institutional body (the village committee) dismantled; and the village membership, which is the invisible boundary of the village, disappeared.

Although most of the resettlement was carried out in the unit of village where villagers from the same village move together to the same compound, there is also a mixture of villagers from different villages in the same compound, as well as in the same building. This is partly because the number of apartments in a compound is usually larger than the number of households from one village, and partly because of the way in which resettlement was

carried out and the incentives to encourage resettlement. Those who agreed to resettle earlier were moved earlier, and those who agreed later were moved later. More importantly, the idea of moving farmers from different villages to the same "concentrated" urban community is also a requirement and feature of the urban integration approach to state-led urbanisation. The urban built environment was created by the Tianjin Bureau of Planning and Design, which took an urban-centric approach featuring functional zones, themed towns, concentration of resources and concentration of living. The administrative status of Huaming town was changed from "village" (*cun* 村) to "neighbourhood community" (*shequ* 社区)."

Without the administrative boundary of the village, village membership was also broken down. This had two types of impact on villagers' livelihoods, the material impact on their assets and the intangible impact on their identity. As the former rural collective property ownership was managed within the unit of village, collectively owned resources such as land were distributed by membership of the village. The fact that villages were integrated into the resettlement community meant that the collectively-owned properties had to be distributed to individual farmers before the village was dismantled, which left only a very short period of time for clarifying individual land rights, drafting the plan for resources redistribution and redistributing the collective properties in the form of urban apartments and financial compensation. As soon as farmers signed the contract and accepted the deal, their membership of the village expired. Whether farmers were satisfied or not, the deal was not re-negotiable. Because the village boundary, the operational body of the collective property ownership and the village membership were all replaced by individual ownership in

the resettlement community, the collective property ownership no longer generated sustainable profits for villagers after resettlement. The income generated from the asset component was therefore decentralised from the collectively owned assets to individually owned assets. This is very different from the Zhejiang cases which I discuss in Chapter 7 and Chapter 8.

The early dissolution of the village committee, the mixed village community and the lack of informal feedback channels for ordinary villagers to have their voice heard significantly compromised the negotiation power of the villagers during the resettlement process. Although villagers also gained a new aspect of identity after resettlement, that of the compound in which they now resided, they very often continued to identify themselves with their original village in casual chatting: “I am from Guan village”; “I am from Xiangyang village. She is from Guan village as well.” (Interview HM007). In addition, for those who are from the same village, identifying themselves with the original village adds a sense of belonging and roots. That original village to which they are attached is also a bond that links villagers and what they share and have in common. Although it was stated in the official document that the resettlement is voluntary, with a fixed development schedule in place it is unlikely that the resettlement was truly voluntary. Wherever the incentive scheme failed to motivate villagers to resettle, there were collective actions or silent complaints. Farmers may think that the compensation is not adequate in covering the loss of their previous assets, or reckon that they may bargain for more resources by playing against the plan via postponing to resettle.

Having discussed the cause and implementation and the new configuration of Huaming town, including the built environment, village boundary, labour market and the changed land rights, the following sections examine how individuals were compensated during the process. In particular, they analyse how risks, stresses and shocks of livelihoods at individual level are generated through the mismatch of the new mechanisms and the established lifestyles, and the loss of value of the previous rural assets during the transition. After a brief overview of the livelihood setting before resettlement, the following sections examine how farmers were compensated during the process and the livelihood setting as well as market mechanisms after resettlement.

5.4 The livelihood setting before resettlement

In 2005, the contribution of the agricultural sector in Huaming town to the local economy was lower than that of the industrial sector, including vehicle repairing, chemical engineering, hardware, machinery, food, tourism and transportation industries (Ma & He, 2015). In terms of the employment structure, 90% of the rural residents at least partly participated in non-agricultural sectors (Ma & He, 2015). The pace of integration of land and labour to the development zone was hindered by the rural administratively registered land in Huaming town. Although the Huaming area was functioning in many ways like an urban area, accommodating industrial urban workers from the Airport-based Industrial Zone (AIZ), the administrative level and boundary was stuck in the previous rural registration.

From the industrial perspective, land under the rural administration was not efficiently used, since the 15 villages of 13,268 households were scattered across the town, occupying 36% of land in town, which is a higher percentage than the construction land and land used for warehouses (Ma & He, 2015). The education level of Tianjin farmers ranked the 5th highest in China, where 7.6% of farmers had obtained high school and above education, according to China Ministry of Education. According to the national social sciences database, the education level of young people in Tianjin was higher than those who are older than 39 years. 92% of the younger age group had a junior high school education or above, and 30% are at least high school educated, compared to 17% for the elder age group, while 10% of the young age group have college level or above education credential, comparing with 3% for the older age group (Pan & Wang, 2006). This suggests that the state-led urbanisation project in Huaming town would benefit those who have already integrated into the urban economy the most, while the livelihood implications on the group who used to live on farming are unclear.

5.5 The compensation package

In Huaming, the compensation package included urban resettlement apartments, a cash payment and social welfare entitlements. The resettlement apartments aim to compensate resettled people's loss of rural housing and household plots, while the cash is to compensate the loss of farmland and social welfare is to provide social security.

5.5.1 Urban resettlement apartment compensation

The exchange of rural housing to urban resettlement apartment is based on the size of the previous rural housing, the measurement took in the housing assessment in March 2003 (Huaming town internal document). While there are two types of rooms, the main room and attached room, compensation for the main room is 1 square meter for 1 square metre of new apartment, and compensation for the attached room is 2 square meters for 1 square metre of new apartment. In addition, families which have resident children over 18 years old or who had previous rural housing over a certain size are entitled to an extra 15 square metres per person. The lower band quota stated in the policy is 30 square metres/person, therefore, even people who previously had smaller housing can reach an average 30 square metre/person standard. Also, an extra 8 square metres are given to each household for free.

Therefore, a three-person family should receive an urban home of 98 square metres, although, of course, not all of the resettlement housings were built at exactly 98 square metres. Therefore, most resettled households received two apartments in exchange for their lost rural housing and household plot, including one big apartment (70-200 square metres), and a small one (30-60 square metres). For villagers who prefer cash compensation over urban apartment for their rural housing, they are compensated with the rate of 1,000 yuan – 2,850 yuan per square metre.

The major disputes in compensation with the urban apartments centred on the issue of how much the new urban apartments are worth. According to the Tianjin municipal government, compensating farmers with urban apartments is a way of increasing their possession of

assets (Tianjin government, 2014). While farmers' old rural houses were worth around 20,000-50,000 yuan, each new urban apartment is worth 8-20 times that, at over 400,000 yuan. Therefore, farmers' possession of housing assets increased by 10 times on average after resettlement. Nevertheless, if the compensation is calculated by the size of land farmers have lost, that is a different story. Taking consideration of the market price of land on the market in Guan village, which was worth 2–4 million per *mu*, and assuming the average construction size of each urban apartment is 1 *mu*, farmers should have obtained 7-13 times the value an urban apartment, amounting to 2-4 million yuan after resettlement.

Moreover, apart from the tangible value which could be materialised, collective property often carries invisible values which are more vulnerable to change, for example the insurance function of land. As mentioned in the previous chapter, the land property serves as unemployment insurance, pension and medical insurance for farmers. This might also be the reason why some resettled farmers feel insecure after resettlement, because they can no longer rely on self-production from farming to make a living. Rather, they are forced to rely on financial resources, including their wage, rental income or subsidies from the state.

5.5.2 Cash compensation

The cash compensation was given to resettled people mainly for their land. Resettled people could also choose cash compensation for their rural housing if they did not take the resettlement apartment. During the fieldwork, I did not meet anyone who took cash compensation for housing, since most interviewees regarded properties as worth more money than the cash compensation offered. Depending on the size of their land and their

choices in housing compensation, the cash compensation varied among households. What they did have in common is that most resettled people complained that they received less than they were promised, and less compared to other villages in other resettlement projects next to Huaming town.

Some villagers chose to receive the cash compensation directly while others chose to take the interest every year from that money with an interest rate of around 4.5%, in which case the resettlement programme invested it collectively on behalf of the farmers. Most families received two apartments after resettlement, living in one and renting out one. They can also receive dividend from revenues generated from the collective land as a one off payment of 1000 yuan per household member.

However, the implementation of the compensation varied between individuals. Some villagers described the insufficient amount of compensation they received compared to what was promised: "At first, we were told that we would get 35,000 yuan cash payment for the lost land, but we actually only received 5,000" (Interview HM003). Others complained about the limited amount of the compensation itself: "The compensation money is too little, only 100,000 yuan" (Interview HM019). Especially when villagers compared their compensation package to that of other villages, they expressed resentment: "For other places, the compensation for the rural housing is 100,000-200,000 yuan, but it is only less than 100,000 yuan for us" (Interview HM008). Comparisons, discussions and complaints are a part of the resettled farmers' daily conversation, as the following examples show:

“The compensation rate for Guan village is around 200,000yuan/person, but we received the compensation 10 years ago, which was only 60,000 yuan/person. We regret agreeing to resettlement. I saw the official document afterwards, which said that we could get 300,000 yuan each person, but we only received 60,000 yuan each person, so where did the money go? The city, district, village, the production team all took some money from our compensation package, and there is not much left when it finally arrived in our hand”

(Interview KG017).

“The compensation money is not enough. If they say we should be compensated for 10 yuan, we only got 5 yuan. Not to mention that we do not have land to farm anymore. The compensation for land is supposed to be 200,000 yuan per mu, but we received less than 20,000 yuan” (Interview HM033).

5.5.3 Other compensation

Farmers’ previous rural social welfare was also transformed into the urban form of social welfare after resettlement. Their medical insurance, pension, minimum living wage, employment insurance, disability insurance and military arrangements were incorporated into the urban system. For example, the minimum living wage was raised from 430 yuan/month to 600 yuan/month after resettlement, while pension was raised from 580 yuan/yuan to 1,100 yuan/month, which is at the standard of the rural-urban residential pension level (*chengxiang jumin yanglao baoxian* 城乡居民养老保险), which is lower than the urban level. Farmers start to receive the 1,000 yuan/month when they have reached the retirement age (male 60 years old, female 55 years old). If Farmers are willing to pay for a

certain amount of pension by themselves, they could be transferred to urban town worker pension level (*chengzhen zhigong yanglao baoxian* 城镇职工养老保险) where they are entitled to 1,680 yuan/month after they are 60 years old (caixin.com, 2014).

Nevertheless, from the perspective of migrants, the pension deal for resettled people in Tianjin is still better than to that in other provinces. According to a female interviewee in her 50s who came to live with her son, a migrant, for a month, in the Tianjin resettlement community, those who are older than 57 receive a monthly pension around 700-800 yuan, while in rural Shandong, the monthly state pension for those who are older than 55 is only 55 yuan a month. The interviewee also expressed that if she fell ill, she would go back to Shandong for treatment because a larger part of the expenses could be covered by her social insurance there (Interview HM007). As for medical insurance in Tianjin, it has two parts. First, it includes the existing members in the urban and rural minimum living insurance and rural five insurance. Second, it covers the previous members of the urban worker medical insurance scheme, including the urban laid-off workers. Although the medical insurance package in Tianjin contains better value than that in rural Shandong, the transference of *hukou* status from Shandong to Tianjin still faces barriers.

Although the compensation package of housing, cash and social insurance aims to transfer farmers' previous rural assets into urban forms, it has drawbacks. First, it is difficult for it to cover the full value of farmers' previous rural assets, because certain functions of the rural assets were invisible, for example rural land as unemployment insurance, pension, or space for generating self-sufficient food and reducing living expenses. Second, it does not mention

at all the “soft” side of the compensation, for example the implications of the changed labour market layout on individual farmers, the impact of the changed community layout on the social fabric in the resettled community and the activities of resettled farmers. The following sections examine these issues and highlight the shocks and stress at the individual level caused by the transition at the provincial level.

5.6 Separation and formalisation of space - function zones

Prior to resettlement, in Huaming town, there were no separated function zones. The production space and residential space were integrated where farmers could do several types of part time work at the same time, including household workshops and domestic work, in a more informal organisation of production space and residential space. Compared with that, the new spatial layout after resettlement is more organised. The formalisation of space and separation of functional zones allows large scale industrial setup; however it does not allow the combination of paid work and domestic work at home. Therefore, it challenges the previous routine of the farmers. Also, the formal layout and the industrial cluster suggest strict labour work schedules after resettlement; for example, workers are required to work within a timetable, taking breaks in turn and sometimes work night shifts, which are not included in farming related activities.

Huaming new town has three functional zones, including the residential area, industrial area and agricultural area. However, the major industries in Huaming mostly require high skilled

non-farming skills. Four major industries are concentrated in the advanced manufacturing area: electric power equipment, rails and vehicles, aerospace equipment and electronic information. Strategic industries in the advanced manufacturing area are new energy, new materials, biomedical, and creative industry. All of these typically require skilled labour.

As for housing, apart from the resettlement community, Huaming Town also includes a commercial housing area and a 20-square-kilometre Industrial Development Area. This area is very different from Huaming resettlement community, as it has a more pleasant living environment, better community layout, and a higher quality of apartments. Huaming community area was the former rural area, built after the demolition of the rural housing, whereas the Airport Economic Development Zone is an independent area, using land from Dongli District. Another two communities, Wanke and Mingju, are state-subsidised housing, given as a benefit to employees in this area by the AIZ. In these communities, “The price is relatively low, the residents’ quality [*suzhi*] is high, and they are all working”, according to a reception agent employed there. Compared to the commercial communities in the Airport Economic Development Zone, there are also corporate dormitories for their staff working in the zone, including both of blue-collar and white-collar migrants.

5.7 Formalisation of labour market – the changing industrial cluster

The major labour market in the area around Huaming exists in the Airport-based Industrial Zone. As mentioned above, most of the companies in the Zone are in sectors like advanced

manufacturing industry, R&D, telecommunication, aerospace and pharmaceuticals, microelectronics, steel and metal, automobiles and components, chemical engineering, modern medicine, and new energy and high technology. More than 70 of the world's top 500 enterprises have invested in the TBNA (Binhai New District Government, 2015), which has become one of the regions in China with the highest foreign investment and provides 280,000 employment opportunities, including in both Chinese state owned enterprises, Chinese private enterprises and foreign enterprises where the majority is Chinese state owned enterprises.

The changing industrial sectors of the labour market suggests the requirements for workers' skill-sets and working routine have also changed. In the Airport-based Industrial Zone, the employment opportunities either require labour work or management/white-collar work. The difference lies in the education level. The similarity is that both types of work needs workers to adhere a tight working schedule, normally from 9am to 5pm. In the case of factories, workers are on a three-shift scheme, which means they could have two night shifts every week. Compared to the urban work schedule, the farming routine is very different where farmers are able to arrange most of their days by themselves.

The employment training programme provided by the government concentrates on airport related activities due to the cluster of aeroplane-related companies in the area. The training aims for both manufacturing positions and management positions, including operator qualifications, welding qualification tests, vocational qualification certificates, occupational

skills testing, talent assessments, re-employment training, production safety knowledge and skills training, safety manager training, special equipment and operation certificate training.

For men, the popular skills training programmes are welding, electrical work, and construction work. For women, popular programmes include joining the air crew. These programmes are not restricted to resettled people, but are also available to rural migrants. The former type of programmes typically requires men who are young and can learn fast. The latter requires women who are young, with at least college education and who meet strict physical criteria, for example in height and weight. Most of the training programme target people aged under 40.

Age is an important factor in successfully securing a training and work position. Because most of the unskilled positions do not require experience, what is important is that the workers could act fast and comply with work discipline. The young people are usually perceived as being more energetic and more likely to obey orders from their seniors. Also, they are far away from retirement; therefore, the company would not have to worry about taking the responsibility of pensions in the near term. As a result, the unwell, the old and women are still mostly likely to be left behind in deploying their capabilities to make a living in the resettlement community. Particularly for those in their late 40s and 50s, they have difficulties in securing a work position, yet are not old enough to receive a pension, which severely limits their income-generating opportunities.

Therefore, it is not surprising that the beneficiaries of this training service are again usually migrants in their 20s, and it is rare to see resettled villagers in the Airport Development

Zone, apart from taxi drivers. The resettled villagers in Huaming who encounter difficulties in finding work are mostly women in their 40s or 50s, and most of them do not benefit from skill training programmes. They used to work in farming. After resettlement, they have no household plot to farm and start to look for work in the urban labour market. This group of people must change their career trajectory due to loss of rural land, but often fail to find work because of their unmatched urban skill-sets; more importantly, compared to 20 something migrants, they are perceived as less competitive and less ready to learn new skills.

For the training programmes that accept people older than 40, the skills in training are less required in the urban labour market. One female villager in her 40s joined a programme on packing nutritious lunches for schools. She said that after training, however, there was no related work available (Interview HM034). This shows that although it is possible for resettled villagers to learn new urban skills, the requirements of the work afterwards often limit these opportunities, especially for older people.

However, their participation rate in the training schemes is not high. 62% of the rural residents reckon that the government is not providing any assistance for them to land any employment (Yang & Ruan, 2011). Those who attend trainings are typically young people. Most of them are migrants from other provinces who are looking for work in the Airport-based Industrial Zone, rather than the local resettled people. On one hand, this can be attributed to the weak promotion of the opportunities in the resettlement communities. Because the training and employment centres are located in the Airport-based Industrial

Zone, and if there is already high demand from young migrants, the centres have no incentive to go out into the resettlement communities to look for less motivated resettled farmers. On the other hand, many interviewees said that they think those types of employment are hard work with low pay, which are suitable only for migrants and they do not want to do the work. This rejection of various types of low-paid urban work is discussed in detail in Chapter 6.

Tianjin Port Free Human Resources Development Ltd. was set up by the Airport Economic Development Zone committee to provide training for migrant workers in the AEDZ and the resettled villagers who work there. On one hand it is a recruiting agency, connecting workers with enterprises in the Airport Economic Development Zone. On the other hand, it also provides training for those who would like to earn more money by improving their skills.

As we can see from the above discussion, the new urban configuration creates a mismatch of skill sets and the labour market for those who used to live on farming. One option for this group is to set up their own small businesses. In the resettlement community, outside of the Airport Economic Development Zone, there are snack stalls on the main street in the resettlement community (See below image 5.2). The business owners include both local villagers and migrants. One snack stall owner revealed that she had a job in the factory in the village before resettlement. The factory was dismantled during the resettlement and she took the chance to move on and set up her own business, because she feels freer working for herself. The street snack vendors are not allowed in the commercial housing community,

which is one of the reasons why people regard the living condition in the commercial housing community as better than that in the resettlement community.

Image 5.2: Snack Stands in the Resettlement Community in Huaming Town, Tianjin



(Source: author's own photograph)

When the non-urban skilled farmers realised the challenge for them to survive in the urban labour market, they turned to possession of assets to seek for more income. As the compensation in Huaming town is a one-off deal, almost all social groups tend to obtain more resettlement apartments.

5.8 Negotiation strategies to receive more compensation

Responding to the resources received, different social groups have applied a range of strategies to maximising the amount of resources they received from the resettlement process. Obtaining more resources during the resettlement process is a particularly important matter for resettled villagers in Huaming town in Tianjin, given the fact that the compensation is a one-off deal where the window for asking for compensation is closed when the resources have been distributed. The compensation in negotiation usually concentrates on the resettlement apartments due to the high value they embed, and there is scope to claim for more square metres by claiming the measuring of the previous rural housing was unfair.

When the project was first carried out, some residents were unaware of how their *hukou* status was related to their possession of land rights. With only primary education, one woman in her mid-forties, with wrinkles around the eyes and intensely tanned skin from long-time exposure to the sun, commented: “We were asked by the village committee to change our *hukou* status, and I saw others did it, so I did it” (Interview HM031). She lived on farming before resettlement and is now selling vegetables on the street while waiting to pick up her granddaughter from school. She said that if only she had known the process before resettlement, she would not have agreed to change her *hukou* status so early. Rather, she would have waited until later in the hope that the terms of the compensation would be sweetened. For the others who waited, the results were not always the same, since some received better deals, while others got even worse deals. Whether waiting would bring a better deal depends on a combination of factors, including the village that the villager is affiliated with, the stage of development when they declined the first offer and the number

of villagers who used the same strategies at the same time. The uncertainty over obtaining a better deal indicates that using waiting as a strategy is a big gamble for villagers, and it brings high levels of livelihood risks, stresses and shocks for resettled villagers.

As a replacement asset for land, the resettled apartments are the key livelihood restoration resource in the compensation package. Moreover, since the relocation is a one-off deal in the case of Tianjin, number of apartments people gain from the process would have a long-term impact on their future livelihoods. As explained above, the number of resettled apartments that people receive depends on the size of their previous rural housing. While the compensation policy itself typically appears fair to villagers, inequality is generated during the implementation by varying levels of access to insider information, connections with the core circle of the village committee and awareness of the resettlement process. Therefore, resettled people identify that good connections with the local production team, the institution responsible for measuring the size of their previous housing, would bring them more benefits:

“While it was promoted as exchanging rural housing land (zhaijidi) for urban housing, in reality, the exchange ratio is 2:1 (two square metres of rural housing exchanged for one square metre of resettled housing). While calculating, only the big room used a ratio of 1:1, other small rooms used a ratio of 2:1. But if you have connections, all of your rural housing is exchanged with a ratio of 1:1. In other villages, even the street was also calculated as a part of their rural housing!” (Interview HM003).

For ordinary villagers who do not have connections with the production team, they are often very sensitive about what cadres in the village committee and their relatives have gained:

“The current head of the village committee gained four apartments from resettlement and his relatives got 4-5 apartments. He used to be poor and have nothing. Now he fills his apartments with precious antiques.” (Interview HM003).

In this example, 4-5 apartments are twice as much as what ordinary villagers receive as compensation. This highlights the privileged treatment the village cadres receive.

Particularly, not only the cadre himself, but also his relatives who are ordinary villagers, receive more apartments due to their connection to the cadre. This quotation also compares the financial situation of the cadre before and after resettlement, which suggests that he took advantage of the development opportunity. Whether this statement is accurate or not is unknown, but from the fact that most villagers care deeply and are informed about what the cadres gained, it suggests that there is at least some internal oversight mechanism, as I go on to discuss below.

5.8.1 Village cadres

In order to obtain more urban apartments from the resettlement process, different groups of villagers have different strategies. The above discussion shows that village cadres are under the close watch of ordinary villagers. On one hand, they are responsible at the grass-roots level for implementing the resettlement process, in terms of both organising the villagers and redistributing the village assets; on the other hand, being watched by villagers

in the village, their scope of corruption is limited. For cadres, only those who are in post during resettlement would have the privilege of redistributing the assets, which might make former incumbents jealous. A previous cadre who served in the village committee for more than 20 years and retired in 2006 said that, unlike the current cadres, he was not making money when he was in post: *"Now, a farmer representative earns 50,000 yuan per year, they take the money from our land."* (Interview HM014). Interviews with other villagers tend to confirm his view that *"The Party is good, but people who carry out these policies only think for themselves"* (Interview HM033).

Another way for the cadres to obtain more resources is by putting the ownership of the assets under their relatives. A mother whose son works in the Dongli district government also said her livelihood has improved after resettlement and they received four apartments, two more than most villagers (Interview HM029). It seems possible that households with family members working in the planning and implementing process of resettlement could receive more apartments, either through actual corruption or through insider knowledge of how to use the system to their own advantage.

5.8.2 Political elites

One assumption is that those people who work in the process understand the system better, which means that they know how to take advantage of the resettlement policies. This internal knowledge is either learnt through experience, analysis or contacts from network. During my fieldwork, there was a workshop introducing the resettlement experience of Huaming town to production team cadres from villages in other provinces. One key point

repeatedly addressed by the speaker was the importance of taking advantage of the policy. For example, if the rural household had two rural houses with one big and one small, the young couple with their child (3 persons) would usually live in the bigger one and their parents (2 persons) in the smaller one. The speaker suggested that the young couples should exchange apartments with their parents before registration for resettlement, in the case that three people living in the smaller apartment would lead their average square metre per person to falls below the standard level and they could purchase the extra metres at a subsidised price; therefore, obtain more resettlement space, which could be transferred into an additional apartment. Moreover, another tip the speaker gave the visiting village cadres was not to be too strict while measuring the size of villagers rural housing: “open one eye and close the other” (*Zheng yizhi yan, bi yizhi yan*, 睁一只眼闭一只眼). The speaker said on one hand, it is not easy for villagers to make a living and this is their only chance to gain more resources; on the other hand, keeping villagers happy and cooperative will make the resettlement process smooth and completed on time. It appears that only the political elites and village cadres who are in the inner circle of the village committee knows the gaps in the policy where it is possible to take advantage. Although the compensation or resettlement policies may not be discriminative or unequal by themselves, then, the exclusive access to insider information creates inequality between the elites and the ordinary villagers.

This is well illustrated by this assertion by one villager,

“Ordinary people who were rich and had some assets lost their assets during resettlement; people at top positions in the village who did not have anything and were poor became rich

through the resettlement and have many antiques in their home. The head of the village gained four apartments from resettlement and his relatives got 4-5 apartments. The important thing is to have power. The key for getting a good compensation package is to get a good connection.” (Interview HM003).

5.8.3 Ordinary villagers

Compared to the elite strategies discussed above, the strategies that resettled people came up with in gaining more housing seem more spontaneous. Their strategy was typically to defer the timing of signing the resettlement agreement: *“If you agree to resettle later, you can get more urban housing. For example, my nephew, he agreed to resettle early, so he only got one apartment for his three person family. If he agreed later, he could have got at least two apartments, one big and one small.”* (Interview HM003). Another villager commented, *“That is partially true. I agreed pretty late, and still have nothing. The key is to have a good connection at the same time. I had a big house and lots of rooms, which they did not calculate for the new housing.”* (Interview HM042).

Apart from lack of knowledge of how the resettlement system works, the resettled villagers also appear to be poorly-informed about the resettlement process and lack participation in the decision making process. They expressed that they had no idea what was going on and when they realised that they lost their rural *hukou* and land, it was already too late to grab more livelihood resources in the resettlement process. There are several possible interpretations of the lack of awareness of ordinary villagers regarding the resettlement process, which include the possibilities of being misinformed, cheated, or simply unfamiliar

with the process and how to find out. The lack of participation in making the resettlement plan led villagers to accuse village cadres of corruption in the resettlement housing they obtained, and to question why the distribution of resettlement housing is based on the size of previous rural housing not the number of family members. They questioned it after the resettlement is completed and attributed it as the idea of the village cadre, who has a small number of family members and a large rural house. This suspicion was also reflected in their attitudes towards cash they received, which they suspected of having been reduced by local levels of government each taking a cut.

5.9 Farmers' response to land loss: Take collective action

When non-violent strategies to maximise gains do not lead to the expected results for villagers, some take alternative approaches, which is to take collective or individual action. For villagers who failed to receive the resources they expected, by comparing to their neighbours or what they perceived beforehand, or if they perceived the resource distribution process as unfair when the comparing the compensation to the rural resources they had before, villagers regard group action or complaining as a potential method of receiving more resources. Some view it as effective, while others attribute the success of collective action to individual capability. As the resettlement compensation in Tianjin is a one-off deal, they are also more active in seeking for more resources while it is being distributed:

"Our land has not been put into the village asset management company, we only have the change to receive financial compensation around 10,000-3,000 yuan when we take collective actions; if we do not do anything then we do not get any money" (Interview HM004).

Collective action is a group behaviour of showing dissatisfaction and complaints by a group of villagers going together for petition or violent protest to the local government. Usually they would go to the higher-level governments if their complaints are not addressed at local level. In contrast, some farmers take individual protests in various forms. One form is becoming a "nail household" (*ding zi hu*, 钉子户). A nail household is a household which refuses to move to the new apartment during the resettlement process due to various reasons. They might be dissatisfied with the compensation terms, have psychological attachment to the old housing or be trying to leverage their bargain to ask for more compensation by delaying the project progress. As one interviewee said:

"There are also nail households who refused to move. They did not get what they want. They think the compensation is unreasonable because some part of their rural housing was not measured into resettled housing. The nail households are those who are capable and know how to speak, otherwise, you would suffer. Those who are less capable can only move when asked, no matter how much they are compensated" (Interview HM038).

Use individual and collective actions as a way to claim for more resources typically does not cost anything and villagers have nothing to lose. By contrast, legal services would usually have high costs, and when the battle is against the government, they have a bigger chance

to lose. There are no other available, effective, free feedback channels to communicate what villagers want to the local authorities:

"All the local state does is talking and promoting, they do not do things. No one knows where did the money go? We have no money and available legal service to go against the government. We have no connection and no power, we can only tolerate it. There are too many people in the production team. The revenue from the expropriated land is not even enough to pay them salary. We have been farming, raising ducks for a whole life, many problems with bones and waist. It is painful all day. They give 1,000 yuan to the elders because they are afraid that we might take collective action. People do not take action if they get money; they would take action if they do not get money." (Interview HM003).

Among numerous approaches of interpreting the disconnection between the village level cadres and individual ordinary farmers, one way is the lack of informing procedure during the relocation process, and the other is the absence of trust in the newly established resettlement community. For the former, although cadres went door-to-door to persuade villagers and explain the situation, the extremely short period for farmers to respond to the call of the state generated risks, stresses and shocks to their livelihood, which required them to rearrange their routines and priorities immediately. For the latter, the idea of launching an asset management company for each village is a reasonable approach to preserve the physical assets at the village level; however, dissolution of the individual village committees, reshuffle of the residential patterns and the establishment of the new management team disrupts the established mechanisms and damages the trust and goodwill that existed in the

previous villages. Carrying out the task without establishing trust first, nor a clear and transparent procedure, amplifies discontent at the individual villager level.

5.10 Oversight mechanism - “Red-eye” as oversight mechanism

According to the categories of corruption in China proposed by Sun (2004), ordinary villagers in Tianjin reckon that the behaviour of village cadres is prebendalism, particularly privilege seeking (*yiquan mousi*, 以权谋私) and misappropriation (*nuoyong*, 挪用) of public funds of at least 5,000 yuan, as well as graft, particularly bribe taking (*shouhui*, 受贿). Villagers assume that cadres confiscated a part of the compensation funding for their private use and coordinated with the real estate developers to gain windfall profits. They even calculate the amount that they are supposed to receive based on information from higher level governments’ documents and what they received in reality.

Why would the spokeswoman for Huaming introduce ways of “milking” the system to cadres from other villages and ask them to tell the methods to villagers? What is worth noting here is that the village committee is at the lowest level in the state bureaucracy, with no control over the resettlement process or the resource redistribution in this case. This indicates that the same powerless village committee and villagers are ultimately on the same side, and the village committee operates not only for personal gain, but to help villagers to maximum their benefits as well.

Although there is a lack of official oversight over the compensation distribution, the malicious envy, known in Chinese as “red-eye” (Zhang, 2013), may serve as well as an informal method of monitoring the compensation distribution process. Resettlement and the compensation distribution is a process of resource reallocation. In addition to the fair share compensation for the land and rural housing they lost, villagers understandably want to gain more resources wherever possible, particularly when it is clear to them that their livelihood is going to rely on those resources, and it is a one-off compensation where there would be few future chances like this when the order is restored, such that it would be interpreted by villagers as the opportunity of lifetime. Under this pressure, villagers pay close attention to whoever obtained more resources than them. On one hand, they seek secret ways of receiving more resources. In most cases, they keep quiet when the need is satisfied and make trouble when it is not, while in other cases, they make trouble and pretend to be exploited in order to gain more resources, and remain quiet even when they are exploited just to stay out of trouble. On the other hand, inevitably, this creates an informal monitoring method of sorts. The pressure makes the powerful village cadres play more by the rules and make an effort to maintain a good relationship with villagers, sharing “the pie” when necessary.

This works best in small villages where everyone knows everyone, and the credibility of individuals depends on other people’s perception. In the cases where the individual boundaries are broken and the multiple villages are resettled to one resettlement community, it is less likely for the informal channels of oversight mechanisms to evolve, because the influx of new residents and the expansion of the administrative boundary

decreases the pressure of word of mouth; therefore the oversight system increasingly relies on law and formal supervision functions.

For example, Mr Xiang, who had served in the village committee for more than 20 years, and who retired in 2006 expressed that the village cadres who was in position during the resettlement process had access to the most resources allocated to the village, compared to their predecessors. Unlike the current cadres, he did not make money while he was in position. "Now, a farmer representative earns 50,000 yuan per year, they take the money from our land. The Party is good, but people who carry out these policies only think for themselves" (Interview HM014; Interview HM033). This quotation shows that the ordinary farmers regard the cadres in the village committees and at the local level are more corrupt than that at the central level. It also shows farmers' deep belief in the Chinese Communist Party's commitment of serving the Chinese people. While an important factor shall not be neglected is this farmer's age. In his 60s, this farmer has clear memory of the Chairman Mao era and the deep belief in the Party might be a result of the nostalgic recall.

Village cadres in Tianjin were typically perceived negatively by their villagers. Mrs Li, a 47 year old woman who had previously worked in a factory, commented on the village committee as follows:

"The elected officials have no education, but live in a big house. Each official has at least 4-5 apartments. People with connections choose the second floor, which is supposed to be arranged for elder people who are less capable to climb the stairs. "Why the housing is distributed in this way (by size rather than number of household members)? Because the

head of the village has many rural housings but few household members, so they calculate the cost by person and distribute the urban housing by the area of previous rural housing. It is unreasonable (bu he li 不合理). Especially it is unreasonable for households with lots of people but few rural housing before resettlement” (Interview HM047).

In the case of Huaming town, as it goes through a process where multiple villages are resettled to one community, the oversight responsibility transfers to the formal channels while the villagers are still in the previous mindset of relying on informal channels of information and talking about the behaviours of the cadres in private conversations. Nevertheless, the function of their informal oversight and discussion is reduced if not disappeared. During this process, individuals are likely to have the feeling of loss of public voice and not being heard until formal feedback channels are properly established. In Tianjin, there is no designated channel for complaining. As the village committee plays an important role in execution but not in designing the process, the village committee is not empowered to change the compensation quota, method or timing, which explains the lack of interaction of the village committee with villages, particularly the lack of feedback channels.

Compared to Huaming town, in the Zhejiang villages of Dongheng and Wusi, as the individual village boundaries are preserved and the size of the village as well as the leadership of the village remain similar to that before development, the informal oversight mechanism still takes place and this is where villagers feel that they participated in the decision making process. By contrast, villagers in Tianjin perceive that everything happened

to them without their being informed. Acknowledging the existence of the informal channels of feedback and oversight in the original individual villages is the first step in establishing new formal feedback and oversight channels to replace where the previous informal mechanism is dismantled during the resettlement process. Without establishing the new formal feedback channel in the urban-centric approach, ordinary villagers would keep suffering from the experience of no participation and lack of voice in the development process.

This section shows that the ordinary farmers in Huaming town did not have a say in the decision making process. Still, they have an opinion and are dissatisfied with the compensation result. What is more interesting is that they do not blame the compensation system where their consensus was not collected and they were not invited to participate in the decision making process. Rather, they associate their dissatisfaction with the village committee cadres, which seems to imply that the village cadres have the power to decide how resources are reallocated and have the will to take advantage from the process.

5.11 Conclusion

This chapter depicts the set of livelihood risks, stresses and shocks in the NSC approach to state-led urbanisation, paying special attention to the connections between the transition of governance structure in Huaming town and the transformation of the key institutional mechanisms. The municipal and district level state led top-down approach to urbanisation in

Huaming town, represented by “land balance” and “capital balance”, requires a change of land rights and the re-organisation of rural life in such a way that the benefits may not be equally distributed to all the resettled farmers. While establishing the new urban neighbourhood committee might match the urban administrative structure, the dysfunction of previous rural village committees cause the absence of representation and protection for the vulnerable group.

This chapter shows how the NSC approach to state-led urbanisation has played a transformational role in shaping the market mechanisms in Huaming town in terms of the context of employing human capital, possession of assets and activities. This chapter argues that the transformation of the institutional mechanism landscape requires a different set of human capitals to make a sustainable livelihood in the new urban resettlement community, which includes different skill-sets in the human capital and property assets in the form of urban housing rather than rural farmland. This transition of institutional mechanism landscape provides favourable conditions for those who have gained urban skill-sets and experiences to thrive better than those with few urban skills and who are used to living solely on farming related activities. These favourable conditions include the urban work schedule and urban living environment.

In terms of possession of assets, after the transition from rural context to an urban environment, to construct a sustainable livelihood requires different set of capitals. Rather than natural resources, urban livelihood requires possession of urban capital. This change is due to the absence of farming land, housing land, rural backyard, and the consolidation of

rural housing in the new environment. These changes have direct and indirect, short-term and long-term effects on the resettled people's livelihoods. This further extends to the available of assets resource, which impact on the resettled farmers' capability of utilising the assets, their income-generating activities as well as their diversification of livelihood strategies. This is not necessarily caused by the unequal terms regarding the compensation package, but is more often due to the differences in access to the insider information, awareness of the process, how well and early individuals are informed beforehand, and the absence of a systemic information disclosure system during the implementation of resettlement. When it comes to the new layout of the rural community, from individual villages to a concentrated village without the previous village boundaries, the social relations and network between villagers are also subject to extensive change.

The response of villagers include their strategies of obtaining more property asset during the resettlement process. When strategies do not work, some social groups might choose the option of violent collective actions. The other response of villagers including monitoring corruptive behaviours of the village cadres. However, the village committee might simply not have the power to make all decisions related to the resettlement process. The upper level states intervene in the process in an intangible way, either in the campaigning stage, compensation designing stage, or governance implementation stage. All these are closely related to the stress and shock that produced in the resettlement process. Nonetheless, as they do not have direct interaction with farmers, farmers tend to associate all the decisions and processes with their direct contact during the resettlement process, which is the village committee.

This chapter is in comparison with Chapter 7 on Zhejiang, where the changes of the mechanisms originate at individual village level rather than at the provincial level, and the preserved previous individual village boundary does not require the re-establishment of trust between the village management team and individual villagers. The most prominent difference between development that originates from the provincial level and the village level is the fact that, at the provincial level, as demonstrated in this chapter on Tianjin, large-scaled resettlement and the requirement of large-scale relocation causes risks, stresses and shocks to individual livelihoods settings and the breakdown of the trust and social fabric between members of the village.

After the description of the transition of the market mechanisms and the analysis of how they affect the livelihoods of individual farmers and households in this chapter, the next chapter uses empirical data from fieldwork to show the specific implications of the resettlement in Huaming on the livelihoods of resettled farmers.

Chapter 6: Impacts of the NSC approach on livelihoods in Tianjin

6.1 Introduction

As discussed in the NSC mode of state-led urbanisation, although livelihoods of resettled farmers have been improved in terms of overall rising living standards and integration into the urban identity, there is multi-faceted impact on different groups' livelihoods. The impacts include types of resources, channels of access, and various capabilities of coping and responding. For some vulnerable groups, the impact is negative when it comes to obtaining a sustainable livelihood from a longer-term perspective, and positive for those who have urban-related skill-sets and work experience before resettlement. These particular vulnerable groups include the unskilled group that used to live on farming before resettlement, business owners/entrepreneurs, the less socially connected, women, and farmers in their 40s-50s.

This chapter applies the rural sustainable livelihoods framework to analyse the livelihoods of the resettled farmers. As outlined in Chapter 2, a livelihood framework summarises the well-being of humans in terms of their access to different types of capital and their ability to utilise that capital. Applying the livelihood framework to analyse the livelihoods of the resettled farmers provides benefits as follows. First, it takes a bottom-up perspective which makes it possible to understand livelihoods in the real life of resettled farmers. Second, apart from an economic perspective, the livelihood framework also has a social focus, particularly in terms of the interaction between social/cultural capital and economic capital.

This is helpful in understanding the impact of the resettlement process at the community level in the countryside.

The first part of this chapter identifies the gain and loss of livelihood resources, with the focus on the primary type of capital needed to make a sustainable living in the new urban environment of the resettlement community. Then, it moves on to examine the existing and new ways that resettled farmers have to enhance their livelihoods by utilising available resources. This discussion will be composed of sub-discussions on the labour market, land market and social stratification.

To ease comparison, I have separated post-resettlement findings by province, examining the effects on livelihoods first in Huaming town, Tianjin municipality in this chapter and then in the three villages in Zhejiang province in chapter 7. In each chapter, I focus first on the general effects of state-led urbanisation on the livelihood components, to establish whether the livelihoods of resettled farmers improved overall, before examining the social impact on new social stratification.

6.2 Assets

As summarised in Chapter 2, the asset factor describes what people possess and control in order for them to employ livelihood strategies: their economic capital, human capital, social capital and natural capital (Johnson 1997; Scoones, 1998). Economic capital includes cash and means of production; human capital includes the skills, knowledge and physical

condition of the labourer; social capital describes the social networks of the labourer; natural capital describes the natural resources and the related services (Johnson 1997; Scoones, 1998). There are many facets of access to an asset, which could be direct or indirect. Direct access concerns the interaction between livelihood components; for example, the access to certain types of assets makes it possible for farmers to engage in income-generating activities. Indirect access concerns the interaction between different types of assets.

Similar to the capabilities component, it is important to notice the different components of urban and rural livelihoods assets. Where rural livelihoods rely more on natural resources, for example land, and sustainable livelihoods concern using natural resources sustainably (Johnson 1997; Scoones, 1998), urban livelihoods rely more on income in the forms of cash and assets (Satterthwaite & Tacoli, 2002). Also, De Haan (2000) argues that the urban poor relies more on their labour, related to their human capital or capabilities; therefore, the livelihoods of the urban poor are more associated with labour-related conditions, for example wages, working time and working conditions. With increased capabilities through education and skills training, the barriers to enter the urban labour market are mitigated, and people should have better access to wage employment, while with mitigated institutional restrictions, people should have better access to assets (Rutherford, 2002; Harper, 2002).

As a result, for farmers who are resettled to the urban built area, the transformation of the form of their livelihood assets is critical in shaping their post-resettlement livelihoods. As

discussed in Chapter 2, most assets also carry invisible values: for example, land also functions as unemployment insurance, medical insurance and pension for farmers. This invisible value is not likely to be evaluated by a market price as it has no productivity value; however, it is crucial for the livelihood security of the vulnerable groups, usually consisting of the ill, the old, the young, the unemployed and women. Women are considered vulnerable because of their traditionally weaker position in the household power balance in China. If the invisible value of rural assets is not transformed into urban assets, these vulnerable groups will lose out, exposing them to livelihood insecurity and increased risk. Particularly, for those who cannot make a living based on their capabilities in the new urban built environment, obtaining sufficient assets is critical for them to create a sustainable livelihood. On the other hand, for villagers who remain in the rural area (as in the Zhejiang cases, examined in Chapters 7 and 8), the change of livelihoods assets and the consequent disruption of livelihoods activities is likely to be more moderate.

According to the NSC grand design, resettled farmers exchange their rural housing for urban apartments. The aim is that this helps resettled farmers settle down in the urban area and lifts them out of poverty. However, moving into the urban community increases the living expenses of farmers. Furthermore, this has different effects on different social groups, contingent on their ability to generate income from other sources and activities.

6.2.1 Gain of rental income

In Huaming town, according to the official compensation scale, resettled households are supposed to receive two urban apartments in the resettlement community, one big

apartment with a size of 60-100 square metres with two bedrooms and a living room, and one small with a size of 30-45 square metres with one bedroom with no living room.

According to the compensation method, resettled households can live in one apartment and rent out the other apartment to generate rental income. In reality, the matter is complicated by questions in the three steps in transforming access to urban apartments into rental income: first, whether the household actually receives two apartments; second, for households who have received two apartments, whether they can all fit in the first one and spare the second one for rental income; third, if they have the second apartment available to rent, whether they could find tenants. This section examines these three stages one by one.

The number of compensation apartments, particularly the number of apartments that actually bring in rental income, has a profound impact on the livelihoods of resettled farmers. In Huaming town, it appears to be the case that those groups which have urban skill-sets or are well-connected are also the ones who receive more available apartments to rent out (typically because they already possessed larger houses before resettlement, and because they understood better how to maximise their gains from the resettlement process). By contrast, the group without urban-matched skills and no connections, typically the already poor, receive fewer apartments. This means therefore, that the existing income gap between the two groups created by their capability is reinforced during the redistribution of collective assets.

Apart from the fact that failure to use the second apartment to generate rental income could jeopardise the livelihoods of resettled people, delayed receipt of compensation could also affect the quality of post-resettlement livelihoods. This includes resettlement housing, cash and property deeds. Almost one third of the interviewees entitled to two apartments had not yet received the small one, and some had not even received their first apartment 2-3 years after resettlement. This was because some of the resettlement apartments were still in construction at the time of field study. Resettled people were given cash compensation to rent apartments during the transition period, but this did not help them bring in an income. This indicates inaccuracy in the planning stage of matching the resettlement process and construction of the resettled community.

While the majority of the households received two resettlement apartments, some received more than two, and others managed to obtain only one. The resettled villagers usually rent out the small apartment as a part of their monthly income, although some households only receive one apartment, removing their chance of making income from renting. Villagers who understand the resettlement policy and how to maximize their gain of resettlement housing by fully using each household member's space quota and swapping apartments with their parents and relative, acquired more than two, and could thus gain more rental income.

Tenants typically consist of migrant workers and managers from the TAEZ. According to the local real estate agent, the property rental market is very active in the resettlement community with a balanced number of migrant worker tenants and business owners looking for rental housing. Therefore, when the resettled residents have spare apartments, it is not particularly difficult to rent them out.

However, not every household with two apartments was able to use their resettlement housing as an asset to gain income, since the second apartment was often occupied by family members rather than being available to rent. For households with more than 3 family members, they did not have many options. In reality, for a household with 2-3 family members, it was feasible to live only in the large apartment, but for a household with more than 3 members, the first apartment was usually physically too small with two bedrooms. Moreover, even if the whole household could fit in one apartment, this meant that 2-3 generations would live together, which compromises the living quality of resettled farmers. The potential to expand living space of resettled farmers was also removed after resettlement, as villagers had previously also had the flexibility of building extra rooms, and separating space into different rooms in their rural homes before resettlement. Therefore, for households with more than 3 family members, they have two choices, either to live in both of the apartments, meaning no rental income, or to squeeze in one apartment and rent out the other, but with considerable cost to their living quality.

For households with young adults soon to get married, if the children could not afford urban commercial housing, they have little choice but to leave the second apartment for the adult children. Before resettlement, when the adult children married, the family would build a new house, or add an extra floor or wing to their house for the new couple, doing much of the work by themselves to reduce the cost if they had a tight budget. After resettlement, the urban community layout eliminated the option of building new housing for the young couple by the family themselves, since the resettled villagers cannot build extra rooms when they live in a block of apartments. The only way to acquire a new apartment is to purchase one,

either a resettlement apartment or commercial apartment. Since the pricing of both resettlement and commercial apartments is based on the market, opportunities for the resettlement household to reduce the cost by using their own labour, negotiating, or by using their social networks are removed. The only currency in the market is cash. Therefore, to buy a new apartment, the resettled farmers need to explore alternative income sources, like waged employment.

This leaves the elderly parents with the situation of no rental income. These parents are usually also the ones who have difficulties in participating in the urban labour market, as most of them have been farming for their entire life. Therefore, the livelihoods of this group are endangered. Mr. Wang, in his 50s, who used to farm and is now working in the new urban neighbourhood committee said that his daughter married and they decided to live in the additional apartment that was initially planned to generate rental income for the household; as a result, the household lost the source of income. This may first appear as a household strategy where the family made the decision to split up and the newly married young couples live in the additional housing. However, the young couple chose to live in the second apartment because they could not afford their own housing, as was typical, and selling the additional apartment to purchase a new apartment in a new location was not an option due not only to the small size but also the low market value of resettlement housing, which is usually lower than the commercial housing.

There are several reasons for the lower value. First, the resettlement apartments are only allowed to be traded on the housing market from five years after the farmers moved in,

before which farmers do not receive the deeds of the housing. If there were mutual consensus between the purchaser and farmer to seal the deal before the five year period, the buyers would have to take the risk of policy change meaning that the resettlement housing will still be illegal to purchase on the housing market after five years. Most buyers therefore seek a large discount by sealing a deal beforehand. Second, the living conditions in the resettlement community are not as organised and pleasant as those in the local commercial housing communities, where developers hire professionals to design the layout of the community. Third, there is a shared perception in the resettlement community that the quality of the housing in the resettlement community is poorer than commercial apartments. From observation, the villagers' perception is correct. Both of the interior structure and external decoration of the commercial apartments are of higher quality than that in the resettlement community apartments.

Allowing children to live in the rental-income-generating housing is a gift from the parents, which is viewed as self-sacrifice for the happiness of their offspring by most Chinese parents. Having lost the expected income, the elder parents would choose to seek waged work, for example Mr. Wang found himself work in community service. However, the type of work that farmers with no urban skill-sets could find is limited. In Mr Wang's case, he has a daughter, but still provided accommodation for them, whereas in rural China, it is usually the son's family that provides a house for the newly married couple. In this case, because his son-in-law is not local and could not afford to purchase an apartment anywhere in Tianjin, Mr Wang gave the second apartment to the new couple.

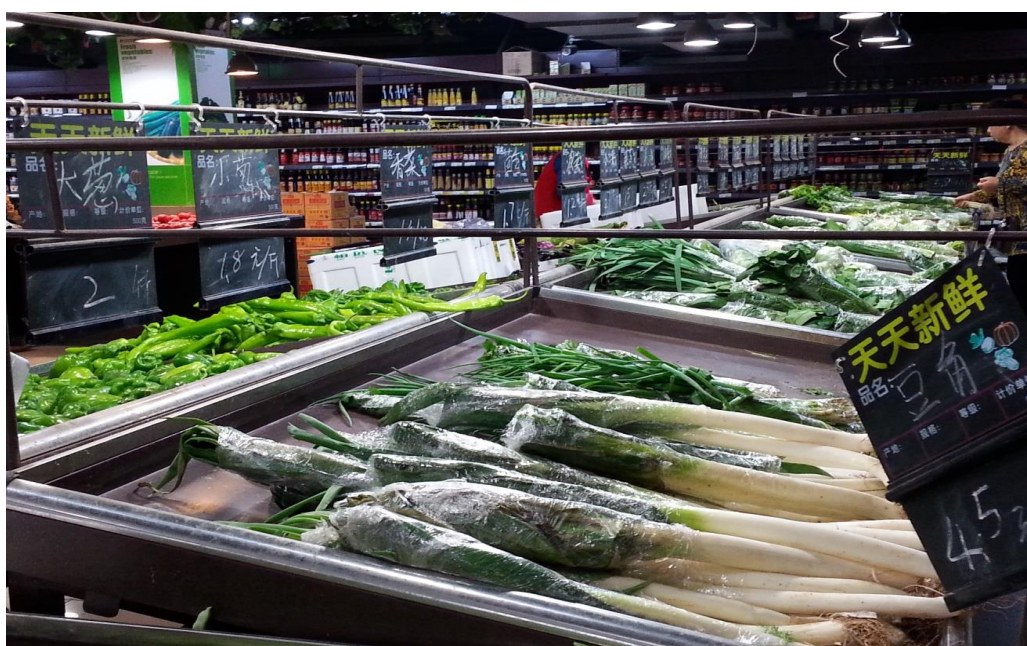
Building a new rural house for adult children before resettlement could, even if cost-saving measures were taken, consume a family's accumulated savings. Resettling rural villagers to the urban area and compensating them with two urban apartments could have provided a solution to this traditional rural custom and released the pressure from farmers to build new apartments. However, since in the Huaming case the rental income from the second apartment was designed to be the income source for resettled villagers, if the household has adult children, the household has to choose between rental income or buying a new apartment for their offspring. Since they could rarely afford the latter, most households with soon-to-be-married adult children choose to leave the second apartment for their children, give up on rental income and looking for alternative income sources. Rental income is particularly important to parents who are nearly retired or retired or who have almost no urban skills-sets, like computer literacy, office skills, and education credentials. The newly-marrieds occupying the additional housing means that their parents would not receive the additional income, which makes them totally reliant on pensions and struggle for their livelihood.

6.2.2 Rental income enough to cover increased spending

Before resettlement, land functioned as an asset generating sustainable income and a field for the domestic production of food. After resettlement, losing farmland means not only the loss of income but increasing living expenses caused by the suspension of farm-based domestic production, and resettled people have to purchase what they used to be able to produce in the household. Furthermore, resources that were free in rural area incur charges

in the urban community. For example, villagers used to be self-sufficient with vegetables they grow from the farm, and have free water. After moving to the urban complexes, they need to pay money for water, gas, electricity and the new community management fee. More than a quarter of interviewees expressed a sense of increased pressure on finances. As Mrs Wang, a woman in her 40s, commented, *“The services fee is too expensive, 150 yuan more than last year, 423- 626 yuan this year for a 40 square metre room. The cost of living is more 10,000 yuan a year. Living pressure is much higher. We did not pay for the service fee while living in the rural village. Living expenses are much higher, even if one earns more.”*

Image 6.1: Supermarket in Huaming Town



(Source: author's own photograph)

For all the resettled households, they have to face the fact that living in an urban environment increases living expenses. Farmers who used to sell the vegetables from their farmland now have to buy them from the supermarket in the local community (See Image

6.1 above). As shown in the picture above, the vegetables are wrapped in plastic and sold in an organised fashion, the same as those in a supermarket in the city, and the costs are high. The difference is that, for households which received two urban resettlement apartments and managed to spare one for renting, they have a new income source from rent to cover the increased expenses. It is less optimal for households that do not have the additional apartment to bring in rental income. This means that they need alternative income sources to cover the increased expenses. Many turned to the urban labour market. Nevertheless, the question is whether they could secure employment there.

6.2.3 Low level of social welfare

Those who were unable to gain a rental income from a second resettlement apartment were often dependent on social welfare, particularly if they were elderly or unable to work. However, this did not provide a particularly secure livelihood.

For the elderly, the majority of them received a pension after resettlement but they regarded the pension as insufficient to cover their monthly expenses, so they needed income from other sources. The amount of pension received was dependent on the amount already saved in one's pension account. Before resettlement, villagers lived in the rural area and many had not been in a pension scheme, rather they expected land to provide livelihood for themselves in their old age. After resettlement, villagers were offered the opportunity to join the scheme by paying the full saving amount at once or in periods. The amount of pension they received also depended on the level of the scheme they chose. The lowest level in the pension scheme gave farmers back 600 yuan per month, while the higher

level gave back 1,000 yuan per month. Also, there is a small amount of people who did not join the pension scheme after resettlement, they do not receive pension. Most resettled people are in the rural collective medical insurance.

“Pension is only 1,000 yuan, which is too little, not enough for us to make a living. It is enough if we do not buy medicine; otherwise it is definitely not enough. We do not have medical insurance. This 1,000 yuan consists of 750 from the nation and 250 from the production team. There are too many people in the production team. The revenue from the expropriated land is not even enough to pay them salary. We have been farming, raising ducks for a whole life, many problems with bones and waist. It is painful all day” (Interview HM003).

6.2.4 Loss of rural farmland, rural housing land and household plots

While resettlement leads to a gain of tangible assets, the urban resettlement housing, farmers also lose tangible assets – their rural farmland, housing land and household plot – with important implications for their livelihoods. The loss of tangible assets leads to a loss of intangible value. One of the invisible functions of land before resettlement was as an unemployment insurance for farmers: for migrants, it is an unemployment insurance where they can fall back when laid off in the urban labour sector or deciding to return home; for the non-migrant young, elder and female farmers, it is a space for them to provide self-sufficient food for the household. After moving to the urban community, villagers lost their land, as well as the space for producing their own food.

"I used to work at home and could do whatever I wanted: even a working aged man could not compare with me in farming. After I moved here, I have nothing to do. In the past, at least I could grow food for the family to eat, but now we have to buy everything" (Interview HM035). This quotation is from Mrs. Wu, a woman in her 50s who looked after her grandchildren at home after resettlement. After resettlement to the urban complex, Mrs. Wu and many other villagers do not have space to grow their own food or expand their housing for domestic production. As there is nowhere to work at home, many of these villagers who do not have urban skill-sets also start to look for work in the urban labour market.

6.3 Capabilities

Refer back to Chapter 2, the capabilities factor is measured in both material and non-material ways (Chambers 1989), including, on the one hand, people's ability to gain employment and income; on the other, the wellbeing of people while they are doing things, for example their "self-esteem, recognition, security, happiness, exclusion etc." (Sen, 1987).

In the urban context, farming related skill-sets are not in demand due to the absence of farmland in the cities. Instead skill-sets which match the urban environment are more in demand in the post-resettlement context. In Huaming town, the new urban built environment leaves no space for farmers to deploy their existing agriculture-related skills; at the same time, it requires farmers to have urban skill-sets and experience to fit in the new

urban labour market, which is drastically different from the requirement before resettlement in the rural context.

The desirable skill-sets are mostly education based. Most of the new opportunities in the Airport Logistic Zone require at least a college education, while some better paid work requires specialism in a particular area. There are also other manual employment opportunities, such as cleaning and gate guarding. Nevertheless, even these types of positions require workers to align with the strict work timetable and discipline where the work is over long fixed hours, and to be willing to work for a manager in a factory. This forms a strong contrast to the prior work schedule of being a farmer, where villagers had worked the vast majority of on their own land to their own timetables. One result of the factory work schedule is that workers in the factory have to live in the dormitory provided by the company in the Airport Logistic Zone, which does not fit well to the living conditions of middle-aged resettled farmers with dependent children or grandchildren.

From the “migration as household strategy” perspective, resettled people have not out-migrated before in part because they were adjacent to the urban labour market in Tianjin, where it was not difficult to commute from the village if working in Tianjin city. Therefore, while the NSC’s argument of creating more urban opportunities for resettled people might be true, the usefulness of resettlement in improving the access to the urban labour market is questionable, in terms of both distance and skill-sets. For farmers who did not migrate because of the lack of urban skill-sets or motivation to work as factory labour, they would actually benefit more from staying in the rural area. Being resettled to the urban area where

they could not work while losing land to provide self-sufficient food is effectively a disruption of their existing livelihoods without the prospect of improvement. Especially when the process is rapid, for those who cannot identify themselves with the urban labour market, it also has a profound impact on their identity and well-being. Without protection, this latter group of farmers would be left behind in the new urban resettlement community. Not only does this affect an individual's ability to make a living, at household level, it also redefines the role of each family member in the household based on their new financial contribution. At village level, new social groups are shaped based on the redistribution of livelihoods material resources. Most often, it is the social groups at the bottom of the social spectrum that are likely to lose out.

6.3.1 Impact on women - changing intra-household relationship

As discussed above, losing land means losing fields for both economic production and domestic production for rural households. The increasing involvement of women in agriculture in recent years and the major responsibility of domestic production in the aim of reducing household expenses indicate that women would suffer more than men.

From the perspective of household structure, who gets what largely depends on who does what. Before resettlement, women's contribution to the household was more visible, in the form of self-produced food, raising domestic animals, household cleaning and caring for children. However, after resettlement, due to the loss of farming land and backyard of the rural housing, the same functions can no longer performed by women. They still perform childcare, but with the reduction of other functions, their economic contribution to the

household is less visible after resettlement. This reduced contribution in eliminating household expense means women are likely to have less bargaining power in the household. In Huaming, as some women who worked in domestic production and on the farm tend not to have urban skill-sets, this means they increasingly have to rely on cooperation with other members in the household. Thus, the strength of their negotiating position would be damaged (Agarwal, 1997).

Without women providing alternative economic production for the household, the resettled household becomes increasingly dependent on other incomes. But different from the wage-dependent households theory, in the case of Tianjin, rental income is a buffer before households have to rely on wage income, and this can therefore be seen to defer the proletarianisation process for many resettled people.

6.3.2 New urban skill-sets

With urban-centric planning carried out by the Tianjin Urban Planning Bureau, Huaming town features functional zones, concentration of resources and efficient use of land, of which the concentrated community is allocated adjacent to the Tianjin Airport Economic Zone (TAEZ). TAEZ is one part of the Tianjin Free-Trade Zone, covering an area of 119.9 square kilometres, of which the other two components are Dongjiang Free Trade Port Zone and Binhai New Area Central Business District. The major industries that TAEZ focuses on include the aerospace industry, equipment manufacturing, information technology, aviation logistics and R&D (Tianjin government). This creates employment, increasing demand both for workers with high skill-sets and experience and for unskilled labour. For the high-skilled

urban work, the airport logistic development zone where the airbus factory is located requires skilled workers specialising in high technology. To work in this sector, only villagers who have acquired related education and work experience could fit in. As most of the villagers used to be in agricultural employment, this demand of labour cannot be met by the resettlement community and the companies therefore import skilled workers from other provinces.

On the other hand, the development zone also generates unskilled work, for example cleaning and gate keeping, with much less demand for urban skills and higher education. Although this might seem like a good fit for many of the resettled people, surprisingly there is also a lack of supply of labour for this type of work, and again the hiring companies import migrants from elsewhere to work for them. The unskilled work also includes manufacturing work in factories, which is also done by migrants from other provinces. In comparison to a typical white-collar salary in Tianjin of around 3,000 yuan per month, a typical salary for unskilled workers is around 1,000 yuan per month. According to interviews with resettled farmers in Huaming town, 1,000 yuan per month seems like a low salary to most. During the interview, one unemployed woman in her 40s answered that “The salary for that work is too low. It is not worth the hard work” (Interview HM011).

Before resettlement, those who could find employment in the urban labour market had already secured work for which they commuted from the village or migrated. For villagers with higher education, they were already competing with their peers in Tianjin city, and some worked in the Tianjin government or banks in the city. People in this group were

usually in their late 20s or 30s. For villagers without a higher education background, many of them worked as taxi drivers in Tianjin. This group is usually aged around 40 – 50 years old. Alternatively, for the less educated but highly motivated villagers, they might have found themselves joining the service sector, working as a sales person in a shopping centre in Tianjin. For all the above three groups, they earned more than 2,000 yuan per month at least before resettlement. Particularly for the first group, those who are educationally qualified for high-end white collar work and management positions, their average earning could compete with their counterparts in Beijing. Therefore, the low-end labour market created by the resettlement process is not attractive for those who have already secured work in the urban labour market.

By contrast with the resettled villagers in Huaming town, to whom unskilled wages in the TAEZ seemed low, a 26-year old migrant woman from Henan province expressed happiness with her work in the factory and life in the dormitory, which was better than anything available for her back home. It was not easy living away from home, but she had an income which was enough to cover her expenses and the freedom to do whatever she likes (Interview HM033). This comparison shows that although the unskilled resettled farmers could fit the skills requirement in the low end of the urban labour market, they do not necessarily accept the offer.

Furthermore, even if resettled people were willing to take unskilled jobs in the TAEZ, they face stiff competition from rural migrants from other provinces. One employer complained about the insurance package they would have to pay for if they hired resettled villagers,

while they are free from the obligation if the worker is a migrant, because of *hukou* restrictions. Moreover, facing competition from migrants from other villages and provinces, particularly their low cost living expenses and expectations, resettled farmers are not competitive in the low-end urban labour market. As most of the migrants are from provinces that are less developed compared to Tianjin where the average salary is lower, migrants are willing to work for lower pay than resettled people because the average salary in Tianjin is higher than back in their home villages in other provinces.

Resettled people who have urban skill-sets, past work experience in the urban labour market, and formal education usually keep their previous work before resettlement, including those who partly worked on the farm and partly worked as waged workers before resettlement. Unlike those who lived on farm work and have only agricultural skills, who have a hard time in finding waged work in the urban workforce after resettlement, they not only do not suffer negatively impacts, but it is often a chance for them to take advantage from the process to improve their livelihoods.

A small number of resettled farmers used to live on combined farm work and waged work. They are more likely to transit into full-time waged work successfully after resettlement. They either work in the same industry or use similar skill-sets, often taking advantage of the connections they built up during their previous work. Mrs. Fan, a resettled woman in her 40s, is a typical case of those still using the same set of skills who took advantage of the connection to the industry she had been working in since before resettlement. She drove an electronic taxi in the resettled community. Before resettlement, she used to do both farming

and taxi driving, becoming a full time driver after resettlement. After resettlement, Huaming government formalised the electronic taxi industry, and established a new programme to exchange electronic three-wheeled cars for safer electronic four-wheeled cars, providing training for all the drivers, as well as requiring drivers holding driving license to be allowed taking customers. The transition for Mrs. Fan was natural with her previous driving and customer service skill sets, and she took the new opportunity of becoming a four-wheeled electronic taxi driver immediately it was established. As Mrs. Fan is not farming anymore, she can fully focus on driving. Comparing farming and driving in terms of income generation, Mrs. Fan benefits from leaving farming and expressed her passion about the extra income the new work mode brings in: *"I like this job, much better than farming, and it brings much more income than farming"* (Interview HM039).

Looking back to the prior case of Mrs. Wu who worked as a farmer before resettlement, it would have been much more difficult for her to make the transition to an electronic taxi driver. First, Mrs. Wu does not have driving skills. By the time she could obtain her driving license, the limited training opportunity would probably have expired. Second, even if Mrs. Wu had a driving license, she does not have Mrs Fan's connection with or contacts within the industry, which means that she would not receive the information about the opportunity immediately, likely leading to missed opportunities.

During my interviews, around 25 per cent of resettled people already worked as waged workers before resettlement. For some of them, it was possible to use the previously built-up connections and start their own businesses with different skills than those used for the

waged work before resettlement, but through successful use of their urban network of contacts. A successful case was 38-year-old Mrs. Lee, who had been running a property agency in the resettled community for three years. She used to work as a taxi driver before resettlement, but after resettlement, she lost her old customers and it became increasingly difficult to gain businesses due to people's changed pattern of commuting. Fortunately, she spotted a new opportunity in the property rental market, identified the demand for rental housing from migrants in the Huaming community and started her property agency business with a partner, building up the new business with help from some of her old customers. Maintaining a good relationship with these contacts, including an accountant and a property agent in Tianjin city, was essential to the success of her new business venture.

Compared to Mrs. Wu, Mrs. Lee used her connections built up during her previous work to help with the new business. Also, Mrs. Lee is college educated, and Mrs. Wu has only primary school education. Apart from the connections and capital to start the business, Mrs. Lee's education also meant that she was better in identifying opportunities in the urban market, developing it into a business, and communicating effectively with customers. In each of these successful cases, the prior acquisition of urban-related skills and urban contacts before resettlement was essential in leading to a positive outcome.

6.3.3 Connections with the city before resettlement

For villagers with urban related skill-sets that can fit in the urban labour market, resettlement does not have much impact on their ability to deploy their capabilities, and it benefits them the most. They usually acquired qualifications and urban work experience

before resettlement through education rather than receiving training after resettlement.

When it comes to the living conditions, this group often expressed appreciation for the improved conditions, such as the concrete road, the urban layout, increased security, urban residential buildings with running water and automatic toilets. Compared to the other two groups (farmers with no urban skill-sets and business owners) that lamented the increased living cost of urban life, this group revealed that they are willing to pay for the increased convenience and the neat environment because they have a higher income than the others.

Ms Zhang said that the rural living condition was unpleasant where there was muddy roads and shared toilets; she feels grateful to move into the urban environment where it is clean, organised and she has her own bathroom (Interview HM14). During the resettlement process, the education background and work experience enables these people to understand the system, so that they know how to claim the most from the compensation package. After resettlement, the improved metro and bus connection between Tianjin city and the resettlement community makes it more convenient for them to go to work; at the same time, development of the Airport Logistic Zone and the related industrial parks in the adjacent area has significantly increased the supply of work for this group of people. More importantly, their salary income from the urban labour market provides them with cash liquidity to rent out the resettlement apartment, invest in more apartments or move out from the resettlement community and join the urban community. Therefore, the capability to do high skilled urban work not only increase this group's income, it also enhances their possession of property assets, discussed in the next section.

6.3.4 Opportunities for the unskilled to work in the urban environment

In the resettlement community, some villagers who did not or could not participate in the urban formal labour market joined the informal sector. A woman in her 30s sold popcorn from a three-wheeled bicycle in the street. When asked how she set up this business, she answered that she was working nine to five in a local factory as an ordinary labourer working on the production line, which dismantled after resettlement. She wanted to have more freedom and be in charge of her own time, so rather than working in the factory, she set up this popcorn business and became her own boss (Interview HM024, Image 5.2 in Section 5.7). However, even this type of unskilled informal sector employment requires an initial capital investment (assets) and some degree of knowledge of consumer demand (capability).

6.4 Income-generating activities

6.4.1 Activities in enhancing access to capitals in different spheres

Activities (strategies) to make a living is the third component of the livelihood framework. As discussed in the literature review Chapter 2 that rural-urban migration is one form of livelihood diversification strategy for rural residents (De Haas, 2010). However, in Huaming town, after villagers were resettled to the urban resettlement community, rural-urban migration is no longer an option of livelihood diversification strategy for them. In addition, with the loss of farmland and space of household plot, the resettled farmers in Huaming town also lost the self-sufficient food, which served as a livelihood diversification strategy for the farmers. While it is true that after resettled to the urban community, there are more

new opportunities of livelihood diversification opened up for the villagers, for example working as a wage worker in the Airport Economic Development Zone from home, and investment in urban apartments. Nevertheless, again, the new livelihood diversification opportunities require a different set of human capital and possession of assets for villagers to practice in reality. Therefore, these New opportunities are more accessible for those who have urban skill-sets and urban experience, and less accessible for those who did not acquire urban skill-sets and urban experience before resettlement. The difference of livelihood diversification choices between the better-off and worse-off groups further extended the intra-village inequality in terms of resources redistribution.

What is also interesting here is that, unlike the proletarianisation process happened in the Western countries where farmers became wage worker after being incorporated to the cities, resettled farmers without urban skill-sets were not turned into wage worker in the urban labour market in Huaming case. Rather they relied on rental income as their income source. This categorises them as neither farmer nor proletarianised urban worker, but as an asset class struggling for their livelihoods.

After from the intra-village gap between groups with urban skills and groups without urban skills, another gap was being created in gender. Beall (2002) pointed out that gender and generation also shape people's livelihoods and their livelihoods strategies. De Haan (2000) also noted the gender disparity in the urban livelihood strategies, of which women are more likely to work in the less regulated and lower paid sectors than men. In Huaming town, as

women were those who worked on the farm and took the responsibility of domestic work, the loss of the previous livelihood diversifications has more impact on women.

6.4.2 Entrepreneurial activities

In Huaming town, the changed layout of the urban industries produces destructive synergy with entrepreneurial capabilities. For farmers who have the drive to build their own businesses and particularly for those who already owned their businesses before resettlement, many of them could not adapt their business to the disruptively new environment after resettlement and had to abandon their planned or actual businesses.

Few existing businesses could adapt to the new business environment and take advantage of the new opportunities generated in the new environment. After resettlement to Huaming, not only did villagers lose the land where their enterprise was usually based, but there was no special subsidy for entrepreneurs or business owners to compensate them for this. Most of those who were self-employed and running their own business remained in the same business after resettlement, but only very rarely were able to expand their businesses. Those whose businesses used to occupy a large amount of land were most seriously damaged in the resettlement process. One extreme case was Mr Lin, who used to cultivate sea fish. After the land for his fishing pools was expropriated at the end of 2010, his million yuan business was destroyed:

“I was forced to resettle. They cut the electricity and water in the factory. The circulation system stopped and my fish died. There was no compensation for my business, also what

was destroyed cannot be compensated. It is unlikely that I would have the chance to set up my own business again. Establishing a business takes years of accumulating and hard work, which is not easy. Once it is gone, it is very difficult to re-establish it” (Interview HM031).

The lack of compensation for businesses is because the compensation was designed only for the land and constructed buildings on the land, and does not include activities which take place in the buildings. For businesses like fish cultivation, the most valuable part of the business is the fish, which is not counted in the compensation policy. This is possibly as a result of lack of participation of business owners in the policy-making process for resettlement. The reason behind the absence of business people in the decision making process of the resettlement plan and compensation package can be largely attributed to the essence of the NSC approach to urbanisation, which prioritises urban development above rural livelihood enhancement (unlike the NRR approach). This will be discussed in more detail in the next chapter.

Mr Lin found waged work in an office in the Airport Economic Zone. Not only is he somewhat ashamed of working for others while he used to own his own business, he also complained about the considerable dropping of the standard of living after resettlement: “Before resettlement, I used to buy seafood like crab and prawn whenever I want to eat them, but now I need to think about the price” (Interview HM031). Loss of businesses led to the loss of financial freedom and change of lifestyle for Mr Lin. The business environment in the resettled community was also increasingly regulated after resettlement, which meant

increased rents. One driver-turned-real-estate-agent, Mrs Lee, commented on the empty businesses properties in the resettlement community:

“Previously, as long as you had a place, you could run a business, but now it is much more formal; see the big store, no one could afford the rent. It is 200,000 yuan for 3 floors, and they do not rent out only one floor, even though we only need 20 square metres of space”
(Interview HM008).

The increased rent pushes resettled business owners to the street and the informal sector. Nonetheless, there are also some issues with running a business informally. The new urban living environment also changes the consumer demand of resettled villagers. The business models that worked back in the rural context thus often do not work in the urban context. For example, one male villager used to run a three-wheeled bicycle business, transporting villagers between villages. After the villages were concentrated to one urban community and villagers could reach each other on foot, the demand for his business disappeared. Another example of how the built environment changed demand was that of a male villager in his mid-40s who used to run a corner store selling and repairing mobile phones. The business was built on the demand from local villagers, and he took the advantage of the longer commuting time from the village to the city centre, providing convenience for farmers. He reflected that the business model was no longer competitive after resettlement because resettled villagers now had quick access to the city centre with reduced costs of time and money, so that farmers could purchase and fix their phones more cheaply anytime they liked (Interview HM014).

Because of the loss of business for business owners during resettlement, we might expect that their loss of business is compensated in some way, rather than merely the land where their businesses are built on. However, as mentioned, there was no special subsidy for entrepreneurs or business owners. As the resettlement process is mostly a top-down process where people who designed the NSC plans and implemented them are cadres from township level and above, they take a grand development perspective of the new town and province, rather than focusing on residents' individual economic interests. Business owners and entrepreneurs in the former village are thus treated as ordinary villagers. But they have additional economic interest compared to the ordinary villagers, which include the prospect of their business and the capital they invested beforehand. Again, these are invisible in the resettlement process of measuring assets for compensation, but are nevertheless important for them to sustain their livelihood.

6.5 Social stratification

6.5.1 New social groups based on skill-sets

Social and cultural capital can also be vitally important in determining access to resources. Are the identity and class of rural farmers are still defined by their rural origin, social and cultural capital like before? Chapter 3 outlined the Chinese class history where rural residents were given a "rural" label through the *hukou* system and classified as inferior to their urban counterparts from the 1950s on. Is this still the social structure in the

resettlement community? What has changed? How has it changed? This section examines the new and existing social and cultural capitals possessed by the resettled farmers; more importantly, it discusses how the change of these capitals affects social stratification in the new resettlement community, as well as the rural-urban relations in China.

The new dynamics in the urban labour market divided resettled farmers into three groups based on their skill-sets and urban experience: those with no urban skill-set, those with limited urban skills and highly skilled urban workers. For those who solely worked on farming, they are more likely not to have the skill-set required in the urban labour market, despite the fact that they might be extremely high-skilled at agriculture. As the built environment is designed by urban-centric planning, which is clean, neat and organised, any sign of rusticity has been eliminated. Resettled villagers used to have housing land and a spacious plot for each household where they planted self-sufficient food, raised livestock or set up family workshops doing sewing. After resettlement, they lost their farming land and space for poultry farming and self-sufficient vegetables. The lack of reserved farming land for individual planting increased expenses for the resettled households, leaving them with no choice but to purchase groceries from the supermarket or corner stores in the urban community, or to dine in restaurants. In fact, reserving a plot of land in a concentrated place would have served two aims: reducing the living expenses for farmers, and reducing the emotional shock caused by the loss of land after resettlement. An interviewee in her mid-40s in Huaming town staring at a large plot of land that has been marked as construction land but was still awaiting for approval told me “I used to farm on this plot of land. Now we are not allowed to farm, nor is this land used for other purposes. It hurts to see that there is

nothing going on in the land. The land is wasted” (Interview HM005). The removal of all traces of farming in the resettlement community had a significant impact on the self-identity of women such as this.

6.5.2 Transform villagers to urban people

Adjacent to Huaming Town, the new Tuanbo Town is almost identical to Huaming in terms of the NSC programme, and the design and implementation of the resettlement policy, but began resettlement slightly earlier than Huaming (and thus may be an indication of developments to come in Huaming). Tuanbo is interesting in that it now features the “Community Continued Learning Project” which aims to educate the resettled farmers in order to facilitate their transition into urbanites. According to a survey conducted by the Tuanbo Town government, the education level of resettled farmers in Tuanbo is relatively low: among those aged 16-60 years, 23 per cent have more than senior high school education, while 41 per cent are junior high school-educated and 36 per cent have only primary school or less education. Based on the survey, very few resettled people read books in daily life; chatting, watching TV and playing cards are their major forms of entertainment, which is broadly consistent with their lifestyle before resettlement.

So far, the Tuanbo Town Adult Culture & Technology School has eight training courses, which have trained more than 3,200 people. Apart from the concentrated training for residents, community members can study in their own time by using the online learning platform and space provided by the school. The training includes “how to adapt to lifestyles in modern society”, “social morality” and “family manners”. These topics strongly imply that

the current lifestyles and manners of farmers are inferior to urban ones, and that resettled people need to transit and adapt to the new lifestyle. Although this gap between former farmers and urbanites is intangible, it is hinted at in every facet of their life, from the living environment to the training programmes, which reinforces their lower class position.

As well as moving closer to the urban identity, the process of becoming more urban is also for some resettled people a journey of self-improvement and achieving their dreams, which consequently enhances their self-esteem and happiness. On the other hand, for farmers who cannot adapt their skill-sets to the urban labour market or develop new skills that are essential to make a living in the resettlement community, they feel powerless and as though they have less control over their own destiny. Some seem to have internalised the idea that they are worth less than urban people. When asked for their opinion on the worsened livelihood of villagers, some villagers attributed their suffering to their own individual capabilities of being able to adapt to the new environment. Many said that they “*mei ben shi*”, which means that they lack the capability to create a better life for themselves. This lowers their self-esteem by attributing social and structural imbalances to individual reasons.

This is part of a process in which many rural people have internalised the reform-era state’s discourse that farming is backward and traditional, and worth much less than being urban and modern. So resettled people, uprooted suddenly from their farming, now blame themselves for not being able to fit into the urban labour market. This perception is also accompanied by the state rhetoric of “urbanising” (*shi min hua*, 市民化) and “civilising”

(*wen ming hua*, 文明化)the resettled villagers, which suggests that the resettled villagers are inferior to their urban counterparts. This political rhetoric, pervasive particularly since the 1990s, blames structural problems on individual farmers, particularly those in the deprived groups, and relates strongly to the “low *suzhi*” rhetoric that describes rural migrants during the spontaneous urbanisation.

Moreover, this has a further impact on social stratification in the resettled villages. While the resettlement process benefits the urban-skilled group and provides them with enhanced mobility, this group is more likely to move out of the resettlement community in the medium- to long-term. By contrast, the circumstances for the rural-skilled group are worsened, so that they enjoy less mobility and fewer opportunities, and they tend to be stuck in the resettlement community, since they cannot hope to afford to move out. This movement shapes the homogeneity of the resettlement community, where most of the residents ultimately living in the community are previous farmers who face challenges in adapting to the new urban environment, and who suffer from permanently lower social status than those in other urban communities.

6.5.3 Stuck in the resettlement community

"I will not sell the apartment in Huaming Community and buy an apartment in Airport Economic Zone to invest. We have enough apartments to live in, and no more money to buy new ones. If we sell the apartment, how much can we sell it for? Who wants it?" (Interview KG001).

In Tianjin, most resettled farmers are tied to their resettled apartments in the resettled community. The price of the resettled apartments in the housing market is lower than commercial housing due to the risk of depreciation of the value of resettlement housing and the lack of property deeds. Therefore most resettled people are unable to move into other urban communities.

Most resettled people expressed their desire to move to the commercial housing community in the Airport Economic Development Zone if they had the chance. They regarded the living conditions in that community as better than their own; also, the commercial housing has more potential for appreciation. These examples show clearly people's desire to leave the resettlement community and illustrate the reasons why this is not possible:

"I would like to sell the resettled apartment and buy an apartment elsewhere, but I have not received either of hukou or the deeds of the resettled apartment (fang chan zheng 房产证). What they gave us is an ownership certificate (产权证), which cannot be used in the housing market. It is said that they will be ready in two to three years, but when we first moved in three years ago, we were told that we would get it in three years. It is three years already and we still have not got it" (Interview HM036).

"More and more people would like to sell their resettlement housing. Resettled people here, with no skills, no income, they would sell the house and only leave one apartment to live. They use the money to do a business, or invest in the capital market. Turnover of the tenants here is very high, which stimulates the housing rental market. Not many non-local people

come here for investment, we do not have deeds (fangchan zheng 房产证), so they are not sure about whether their investment will be paid back” (Interview HM020).

“Some sell the housing here, and buy houses where they work. Young people would like to sell housing here and move somewhere else. The elderly have familiar friends from the previous villages and not tend to move out. Most of the properties here have no deeds, so the market price for these houses is low” (Interview HM021).

For the few who successfully sold their apartments in the resettled community and purchased housing in the Airport Economic Zone or other areas, they usually do not need the rental income to support their livelihoods, as their main income source is their waged work. One member of a couple who had migrated from Shanghai to the Airport Economic Zone and does management work there commented: “I received two apartments from resettlement. We bought another one in the Airport Economic Zone, and I will move there when it is decorated. We’re not sure whether to sell this apartment or rent it out. We have received the property deeds certificate, maybe because we resettled early” (Interview HM044).

A man in his 30s, a very rich villager, looking for opportunities to invest, explained:

“The properties with government subsidies next to the resettlement community are expensive at 8000-9000 per square metre, like the ones developed by Huayuan and Zeyuan, because they have schools nearby. Housing price rose from 3800-4500 yuan per square metre to 8000-9000 yuan in the last five years, and I believe the price will continue to

appreciate. Commercial housing next to the resettled community is 10,000 a square metre, and 10,000-20,000 a square metre for those in Tianjin city, which is still much cheaper than in Beijing. Another new Huaming community is still under construction. I am looking forward to buying properties in Huayuan and Zeyuan, which have better housing quality and are earthquake-proof” (Interview HM022).

Most of the resettled people who rely on the rental income generated by the resettled apartments cannot afford the commercial property prices in other areas even if they were to sell all of their apartments. Furthermore, if they did sell, they would lose their income source. From the perspective of space and the class structure, resettled people are thus defined by the location of their habitat and there is no upward mobility for them to move out. This is not much dissimilar from the previous rural-urban division, where farmers were given rural labels as their identity and compared as culturally inferior to their urban counterparts. Although they have urban *hukou* now, resettled farmers are still far from fully urban residents, due to their rural origin and the experience of resettlement.

6.5.4 Cultural capital and “suzhi”

The label of “low *suzhi*” has been associated with rural origin, which is reflected as the inferior social status of farmers compared to urban residents (Anagnost, 2004). This comparison is especially visible in the urban area where rural migrants who work in the cities are discriminated against in virtue of their rural origin. The discrimination has many facets, focusing for example on the way they dress, their accent, their behaviours and belongings. The association of “low *suzhi*” with farmers is based on their rural origin. After

resettlement, however, villagers are no longer rural-based. Should we expect to find farmers' changing self-perception of their social status?

While their memory of the past leads many to compare the post-resettlement life with that of farmers in the pre-reform era, where the new situation is much better and they try to make a living with what they have, nonetheless their new urban identity becomes associated with an interpretation of unfairness and behaviours of milking the system, as those who are more “capable” (*you ben shi* 有本事) and with more “*suzhi*” can make a better livelihoods after resettlement. In Tianjin, with the moral education from the pre-reform era in mind, most former farmers tend to live prudently and believe that they are responsible for bearing the bitterness of reform. After complaining about the small monthly income, one villager said, “I have enough income to survive, which is much better than the days before reform. I spend what I have”. For the group in their 60s and 70s, with memory of their rural “vanguard” identity in the CCP, resettled farmers perceive that any hardship and unfairness they experience, including for example their exclusion from the urban labour market, are caused by the corruption and faulty implementation of central policies by local states and local state actors. They would rather believe in the good intentions of the central state, and focus on the fact that, compared to the pre-reform era before 1978, their livelihoods have been improved considerably.

6.5.5 Loss of village collective identity and sense of village community

Apart from being labelled as “low *suzhi*” who need to be further “urbanised” and “civilised”, resettled villagers also face loss of village collective identity and the sense of village

community. Inevitably, the loss of the old identity and adaptation to the new identity create psychological stresses and shocks. In Huaming town, the large-scale resettlement moved villagers from the former 15 villages into one concentrated village community where in one compound, there are villagers from a mixture of villages. Before resettlement, villagers used to identify and address themselves as the village they are from. After resettlement, while some villager still address themselves as before, others start to identify themselves with the name of the new resettlement compound they reside. This creates identity confusion for resettled farmers, which is a form of psychological stress. One interpretation for the resettled villagers who adopted the new identity is that the new identity explains their location clearer than sticking to the previous identity, which makes more sense to others. It shows that the new layout of the urban community and resettlement community space are shaping the language and identity of the resettled villagers where the previous village collective identity is fading out from the daily conversation. Together with the village collective identity, the rural-urban identity is also diminishing with the shaping power of the new urban layout, space and the slogans in the resettlement community. One particular slogan used in Huaming town is “same land, different life” (yiyang de tudi, buyiyang de shenghuo , 一样的土地不一样的生活). The slogan suggests villagers that their life is different after resettled to the new urban community, which could be interpreted as one of the reasons why villagers started to think and identify themselves in a different way. To accept that the new life is better is to deny the normality of the past life, and this could be a source of psychological stress for the resettled villagers. And when they experience setbacks

in identifying themselves with the new identity, they lost the old identity to fall back to, which generates psychological shock.

6.6 Conclusion

This chapter summarised the empirical findings from the fieldwork, analysed the effects of resettlement on farmers' livelihoods, and how different social groups react to the threats, shock and stress in their post-resettlement livelihoods in the NSC approach state-led urbanisation in Tianjin. Essentially, the resettlement is a process of livelihood resources redistribution. To secure a sustainable livelihood, the three key steps include gaining urban resettlement apartments, participating in the urban labour market and diversifying the livelihood income.

However, these processes have various effects on different social groups where the previous vulnerable groups experience the deterioration of livelihoods after resettlement. Villagers who lived on farming before resettlement are most negatively affected by the resettlement process. Two major reasons contribute to the implications. First, as the type of asset changes from rural to urban, the new form of asset does not generate synergy with farmers' capabilities. This means that the group with no urban-related skills can hardly act on the assets, nor can they translate the assets to livelihood enhancement through income-generating activities or livelihood strategies. They are lack of voice and strategies in securing multiple urban resettlement apartments, particularly in terms of accessing the apartments,

obtaining adequate number of them, translating then into livelihood income. Second, there is a lack of participation by resettled farmers in decision-making regarding the resettlement process and components in the compensation package. These two points concern the planning and implementation stages of the NSC policies, which are the focus of the previous chapter. Among which, women farmers suffer from the loss of farming land and backyard where the loss of space compromises their productivity.

In contrast, the well-educated, skilled group is more likely to obtain multiple urban housing. For the former, gaining income from the urban labour market is usually the most direct alternative for this group to turn to. Being pushed to the urban labour market, people who used to live on farming do not usually possess the skill-sets that required in the urban labour market; therefore struggle to succeed in the urban labour market. While the skilled group benefit from both of the land market, labour market and the new layout of the urban environment. Again, the group which previously lived on farming is the most vulnerable during this process. They are pushed to pursue alternative income sources, and failed to succeed in the urban labour market. Particularly for farmers in their 40s-50s as the chance for them to develop their skills is small. The business activities of the previous business owners are refrained by the relocation and lack of compensation for the value of their business apart from the compensation the land where they businesses built upon.

In terms of the livelihood strategies, the previous successful sustainable rural livelihood strategy is no longer supported by the new livelihood resources in the urban resettlement environment. The previous livelihood strategy combination consists of migration with skills

to enter higher paid urban labor markets, production on the farming land, and social networks to gain access to work opportunities. The new livelihood strategy combination is composed of gaining rental income, reduce living expenses, participating in the urban labour market, social network and investment activities in the urban housing market. This requires resettled farmers to have capabilities to act on the opportunities and adapt to the new living conditions. These capabilities are largely shaped by education, of which the group relied on farming is lacking, while the urban-inclined group benefit from. In summary, the group that used to live on farming obtain less tangible and intangible resources from the resettlement process, and lack of the correspondent capabilities to act on these assets nor expanding their livelihood strategies. Moreover for the unskilled group, there is no synergy between the livelihood components, nor the different types of assets for the most vulnerable group, which the programme is initially designed to help. They are lagged behind at each step of gaining the redistributed livelihood resources. Yet, they have the least voice and power in changing the situation.

At the community level, the collective identity is lost during the large-scale resettlement in Huaming town with NSC approach, which incorporated different villages into one concentrated community. The process of adapting to the new identity as urban citizens and resettled villagers creates psychological stresses, shocks and tension for resettled farmers. Whether the post-livelihood experience for the same groups would be the same in the Zhejiang case with NRR approach? The next two Chapters answers this important question where Chapter 7 examines the role of the state intervention in NRR approach and Chapter 8 focuses on the implications on livelihoods with NRR approach.

Chapter 7 New Rural Reconstruction mode of state intervention in Zhejiang

7.1 Introduction

Parallel to Chapter 5, this chapter discusses the role of the state in the New Rural Reconstruction (NRR) approach to state-led urbanisation, paying special attention to the actions of local states at various levels. Considering the role of the state, it analyses the existence, motivation, behaviour and implications of state intervention during state-led urbanisation. Because of limitation of space, this chapter does not discuss each Zhejiang village in every section; rather it selects the most suitable examples in each section for discussion.

Both this chapter and the next focus on Zhejiang province and the NRR approach to state-led urbanisation in China, in comparison to the study of Tianjin and the NSC approach in Chapters 5 and 6. While this chapter argues that state intervention during the process has considerable impact on the livelihoods of villagers, especially different levels of the local states and the role of the village committee, the next chapter takes the perspective of individuals and households and examines the impacts of resettlement upon their livelihoods.

Compared to Chapter 5, this chapter brings Cernea's (2007) IRR model to the Zhejiang context, where the risks are re-grouped with new shock and stress added against the specific livelihood context and threats in China, particularly, in the three villages in Zhejiang under the NRR approach to state-led urbanisation. Factor 5 (increased morbidity and mortality) from the Cernea (1997) model is excluded. This chapter categorises the seven

remaining risks into two stages, during the resettlement process and afterwards, and focuses on two aspects of the impacts, landlessness and joblessness, where the former has consequential effects of homelessness, food insecurity and loss of access to common property.

The rest of the chapter examines each level of the local state. First, this chapter depicts the competition scheme at two levels in Zhejiang province, provincial state selects county models and the county level state selects model villages. Then it outlines how the development of the three villages, Dongheng, Wusi and Qingyanliu, led by the leadership of each village committee, reshapes the configuration of the rural space and changes the key market mechanisms as mentioned in earlier chapters. To transfer rural land for urban use, the labour market is reorganised given the changed cluster of industries, the land rights are transformed from collective-owned to land shareholding programmes, and the identities, lifestyles and self-perception of villagers are changed. This chapter approaches the above three processes from two perspectives, the emergence of risk/threats, and solutions to the risk/threats. From the risk perspective, this chapter suggests that the conversion and the landscape and mechanisms in the villages create disruption and shock at the individual and community levels. Therefore, it pays attention to the activities and behaviours of the village committee in increasing or mitigating the risks and threats to the livelihoods of villagers. Having identified the causes of livelihood threats and risks, this chapter examines the behaviours of the village committee in increasing or mitigating threats and risks by providing plans, compensation, assistance, shared common resources and new access to their villages.

7.2 Relations between different levels of local states

As outlined in Chapter 2's discussion of Cernea's (1997) IRR model, development-induced involuntary resettlement creates threats to the livelihoods of the resettled population, among which the greatest threats are generated by economic and social uprooting. Cernea (1997) concludes that there are eight risks that threaten the livelihoods of displaced people, based on case studies globally. These are: 1. Landlessness. 2. Joblessness. 3. Homelessness. 4. Marginalization. 5. Increased morbidity and mortality. 6. Food insecurity. 7. Loss of access to common property. 8. Social (community) disarticulation (Cernea, 1997, p1572). As Cernea (1997) correctly points out, to mitigate livelihood risks and restore displaced people's livelihoods, it is crucial that the state make appropriate intervention in reconstructing and restoring displaced people's livelihoods after displacement and there is a requirement for risk reversal strategies along with financial subsidies. To understand the implication of uprooting for post-resettlement livelihoods, it is essential to associate the level of state and creation or mitigation of livelihood risks.

Particularly, he discusses the limitation of the cost-benefit approach to reconstruction of livelihoods, including the inability of the framework to explain the way displaced individuals react to economic and social deprivation, to predict the adverse effects and planning, and to provide resolution for problems. In summary, good governance aims to minimise the number of people affected by displacement, and to address this from the earliest stage from the perspective of development rather than liability. State support for the displaced population's livelihood restoration is typically composed of three parts: compensation for

the cost of resettlement and lost assets; assistance during the transition period to the resettlement site; and shared benefits of the additional economy created by the more efficient use of rural resources (Cernea, 1993). The restoration of livelihoods concerns not only how the access to common property resources is lost, but also how access to new resources is created.

7.2.1 Zhejiang province selects model counties

In order to understand the strategic decisions of the approach to resettlement in villages in Zhejiang, it is necessary to consider the rural development guidance and frameworks at each state level, including the provincial, city, county and village levels, as well as the relationship between these levels (See Diagram 4.1). This section examines the policy frameworks at each local state level and how they are related to the development plans in the particular villages. This section argues that the existence of the village committee makes a difference in the structure and organisation of local states, where the direct implications are the setting up of competition schemes, fund allocation and cadre motivation. The rest of this section will discuss the operation process of the above factors in order.

Since all three villages under study here are located in Zhejiang province, the investigation of NRR at the provincial level policies can provide only limited understanding of the differences in outcomes between different villages. When it comes to the middle levels of local states from city to county, both Deqing county and Yiwu County are in the group of pilot areas for land rights reform, which indicates that policy differences at medium local level may be expected but limited. These differences can be traced through comparison between

Qingyanliu village in Yiwu and the other two villages in Deqing. However, since Dongheng village and Wusi village are located in the same county, it is not immediately clear why the development and resettlement strategies are different in those two villages. This draws our attention to the village level policies, where the village committees work as grass-root governance units.

At county level, because both Deqing county and Yiwu city are in the land rights reform scheme, the two local administrations focus on the design of the land reform. Apart from the design of land rights, other important factors include access to rights, loss/retention of tangible and intangible value of land, equity/inequity in the redistribution process of the new land rights, and whether resettled people have the capability to act on their land assets. Moreover, beyond land rights, other kinds of capital are also highly important to the post-resettlement of villagers, concerning their capabilities, human capital, cultural capital, social capital, income generating activities, diversification strategies and social stratification. I categorise these factors into three discussions in the following parts of the chapter including: first, access to land rights and whether it is equal; second, the development plan of the new labour market; third, generation of the new identity and social connections.

During the state-led urbanisation process in Zhejiang, the role of the village committee is critical because it is this grass-roots organisation that directly manages the access to land rights, develops the new labour market based on the context of its village, and initiates education and training schemes, which formulate resettled farmers' new identity, perception and social stratification. In comparison to the Tianjin case, where the functional

role of the village committee was replaced by the urban neighbourhood committee, on one hand, there is a lack of grass-roots organisation which adapts the new labour market or land rights-related policy; on the other hand, farmers' demands and responses could not be collected through informal channels to guide the formulation of policies. Therefore, this chapter particularly addresses the role of the village committee in the discussion of the NRR approach to state intervention during the state-led urbanisation. In carrying out the "Building a New Socialist Countryside" policy framework, different levels of states have various roles. As mentioned above, the central government designs and policy framework while it depends on local states for implementation. For local states, each level takes different responsibilities during the implementation process.

7.2.2 Zhejiang province launches new cadre evaluation system

For the provincial level states, their main responsibility is interpreting the national framework and adapting the framework to conditions in each province. The interpretation of the national policy framework varies among provinces contingent on the stage of development they are at, their own development pathway, the existing socio-economic conditions, the rural-urban divide in the area, their position in the national development strategy, as well as their closeness to the central government. As for the decision making process at provincial level, it is largely orchestrated by the provincial leadership. While some provinces interpreted the "Building a New Socialist Countryside" policy as an instruction for marketisation and urbanisation, with the urban area as the benchmark and the countryside needing to catch up to the urban standard, as in Tianjin, other provinces abandoned the

urban approach, applied the “New Rural Reconstruction” framework, and developed an interpretation based on the maintenance of the vast rural area. Zhejiang province is a typical example of this latter approach.

Zhejiang province linked the NSC policy to economic development and developed a new provincial level framework of “Beautiful Zhejiang”. Rather than boasting “urban civilisation” with the attempt to introduce it to the countryside, the slogan in Zhejiang is “clear water and green mountains are gold and silver” (*lvshui qingshan jiushi iinshan yinshan* 绿水青山就是金山银山). It was formulated by the current president Xi Jinping, then Secretary of Zhejiang Provincial Party Committee, in 2005 (Qiushi, 2014). This slogan later became the development guidance for Zhejiang province. The above highlighted quotation is the last part of the slogan, the full version of which is “We want both the clear water and green mountains, and the gold and silver. We prefer the lush mountains to the gold mountains, while the lush mountains are gold and silver mountains.” (*women jiyao lvshui qingshan jinshan, yeyao yinshan. Ningyao lvshui qingshan, buyao iinshan yinshan, erqie lvshui qingshan jiushi iinshan yinshan* 我们既要绿水青山，也要金山银山。宁要绿水青山，不要金山银山，而且绿水青山就是金山银山). While “clear waters and green mountains” is a metaphor for environment protection, “gold and silver mountains” is a metaphor for economic development. The slogan captures the relationship between economic development and environment protection, and advocates a new balanced sustainable relationship between the two aspects (Qiushi, 2014). In the past, the state’s understanding of economic development has been based on the sacrifice of the environment and ecosystem, but the new development guidance from the Zhejiang provincial interpretation

demonstrates that protecting the environment is one important source of economic productivity where a balanced eco-system is a foundation for eco-economy, including eco-agriculture, eco-industries, and eco-tourism. It aims to transform the development model in Zhejiang from one based on natural resource exploitation to one based on the development of natural resources in a sustainable way (Qiushi, 2014).

The realisation of the guidance depends on its execution, which is a result of the coordination between different levels states in Zhejiang province. The execution of the guidance is guaranteed by the mechanisms and institutions between the different levels of states, among which the most important is the cadre evaluation system, which guides the behaviour of local officials by outlining the frame for promotion and punishment.

Along with the development guidance is a series of concrete measures carried out in Zhejiang at the provincial level. One important measure is reforming the cadre evaluation system, which guides the behaviours of the cadres and channels their motivation to the development agenda of the province. In 2006, Zhejiang province launched the reformed cadre evaluation system based on the new development guidance, which aimed to integrate successful environment protection and public opinion into the evaluation system. The new system introduced two new approaches, as well as new factors to the existing approaches to the evaluation process. The two new approaches were public opinion surveys and actual performance evaluations, compared to the traditional political performance evaluation. First, the survey assesses the opinion of residents on the changes in the rural and urban areas, new rural reconstruction, social welfare, food safety, safety production and public

culture and service. Second, when it comes to the actual performance evaluation, it embeds factors like energy consumption per ten thousand yuan rate, and measures of environmental quality. Moreover, new factors were also added to the existing assessment indicators. These included ecosystem protection, energy saving, new rural reconstruction, entrepreneurship and innovation, public service, education, sanitation and employment.

The reform of the cadre evaluation system had two aims: one was to address the importance of environmental protection, while the other was to reflect public opinion to a greater extent. However, the policy guideline and cadre evaluation system is the same for each county at the provincial level. The substantial rural development plans are made by each county and village, based on the individual conditions. This provides space and flexibility for the counties and villages to come up with development plans that are the most suitable for the context and condition of the counties and villages.

In 2016, for the first time, Zhejiang province published the counties ranked in the first six out of 18 participant counties, based on their performance of “beautiful village” construction, and Deqing county ranks No. 2 (Deqing News, 2016). The high position of Deqing county is a result of the high number of 11 provincial level model villages in Deqing. This ranking and the assessment in cadre evaluation are motivations for county-level cadres to act on the development guideline and transform development models at county and village levels. The performance of counties is largely contingent on the execution of development programmes at village level within the county. Counties with the most villages transforming the economic development model to an ecological-based economic model, and making progress on eco-

system protection and village culture preservation, tend to rank highly. Therefore, the next part of this chapter examines the behaviours of county-level states in the process of state-led urbanisation and their relationship with the villages. The competition scheme set up at the provincial level is not the only such scheme in Zhejiang. At lower levels, counties also set up competition schemes seeking the best village performance, while the villages themselves launch competition schemes to promote village cultures and filial piety within the village by offering prizes for villagers to win.

7.2.3 Deqing county selects model villages

Located in north Zhejiang, Deqing county has 8 towns and 150 villages with a total population of 436,981 (Deqing government, 2015). Wukang town, the central area of Deqing county, is 30 minutes' drive from Hangzhou city centre, 40 minutes' drive from Hangzhou International Airport, and less than two hours to Shanghai, Ningbo and Nanjing. Launched in 1999, the objective of Deqing's "China harmonious beautiful rural home" project was to redevelop the 150 villages in the county in 10 years. The standard was established in four dimensions: environmental, economic, social and institutional. The environmental dimension was to clean the village and improve the ecological environment in the village. The two main tasks of environmental dimension in 2009 were green engineering and garbage recycling. The economic dimension focused on the upgrade of agricultural industry by building the countryside recreational tourism brand and strengthening the collective economy. The social dimension was to extend urban infrastructure, urban public services and social welfare to rural areas. The institutional dimension was to introduce innovation in

the rural property rights system and create new ways of using rural land, labour and capital (Deqing government, 2015).

Among the four dimensions, only the environmental dimension was a requirement for all 166 villages in the county. For the other two dimensions, Deqing county set up an incentive scheme. Each year, the county-level government assesses the achievement of villages, and for villages labelled as the first 50 model villages, each villager is rewarded with 2000 yuan. The strategy of Deqing county was thus to begin with individual village “dots”, and connect into “lines” of villages. According to Deqing county’s introduction of the policy, the development of “China harmonious beautiful rural home” project was planned in two steps (Deqing government, 2006). In the first three years from 2009 to 2011, the aim was to construct 50 model villages and brands; in the second three years, to connect “dots” into “lines” and connect “lines” into a “net”.

My research identified two villages in Deqing county labelled as model villages, Dongheng Village and Wusi Village. Each village has followed a different strategy for development: Dongheng Village is characterised by its redevelopment of abandoned mines, while Wusi Village brands itself as a rural tourism hub. This chapter will discuss the two villages in Deqing county first and compare them to Qingyanliu, a village outside Deqing county where resettlement was driven by the county government, but where the village committee also played an important role in creating new income sources for the village after the original county-level plan failed.

Compared to the Tianjin case, where the province promotes the development programme with the national slogan “Building a New Socialist Countryside” (NSC), Deqing County in Zhejiang Province set up a county-level programme under the national-level project, “China Harmonious Beautiful Rural Home” project (*zhongguo hemei jiaoyuan* 中国和美家园).

Huzhou is a prefecture-level city in northern Zhejiang province, and Deqing is one county under the jurisdiction of Huzhou. Huzhou itself is not discussed in this section, since I focus solely on Deqing county because Deqing was selected as the pilot area rather than the whole of Huzhou city. Not only does the “China Harmonious Beautiful Rural Home” programme showcase Deqing County’s interpretation of the national project and adaption to local conditions, it has also set up funding schemes in an attempt of the county to establish itself as a national model in solving the “three rural problems” (farmers, agriculture and rural areas) discussed in Chapter 2.

Ahlers (2015), in her study of the importance of county-level local states in the NSC programme, shows that, for county level officials, opportunity for career advancement is the motivation behind their ambition of performing well in the rural urbanisation project. This indicates that the career progression prospective could also be the motivation for officials in Deqing County to perform. To impress the upper level states, cadres in Deqing County set up the village competition scheme in order to motivate village cadres and select the most promising village to invest and add to their portfolio of political performance.

Deqing county interpreted the “beautiful village” policy framework from the provincial level and came up with its own understanding of the framework, which it summarises as

“beautiful landscape, integrated rural and urban area, civilised village culture and prosperous lifestyle” (*quanyu meili, chengxiang yiti, xiangfeng wenming, shenghuo meihao* 全域美丽、城乡一体、乡风文明、生活美好). At county level, there are three stages in implementing the development goals, including cleaning the living environment, introducing sewage treatment, and developing the eco-economy based on the existing industries. Started from institutionalising the living environment cleaning scheme, Deqing county quantified the standard. It required, first, that each village clean the streets in the village twice a day, once by humans and once by cleaning machines; second, it facilitated one garbage bin for every 4.5 households and one street cleaner for each 83 households; third, it organised cleaning of the roads. The quantified and institutionalised requirements differentiated this scheme from previous endeavours, and made a difference in cleaning the living environment in the county. Deqing county then initiated sewage treatment, which restored the eco-system in the village. Based on the enhanced natural environment, Deqing county provided a strong foundation for villages to develop an eco-economy. It promoted the idea of “farm-garden city and countryside” (*tianyuan chengxiang* 田园城乡) to encourage village explore the cultural, tourism and eco-resources in the village and develop them into an integrated eco-economy.

As demonstrated in the existing literature, local state officials select model villages mostly out of consideration of their political interest (Rosenberg, 2015). Despite the motivation and competition schemes at county level, the socio-economic contexts and living standards of each village in Deqing county were different, such that, ultimately, it was the responsibility of the village committees in each village to respond to the competition schemes set up at

the county level. While some villages responded at a minimum level by fulfilling the requirement of cleaning the living environment and improving living conditions in the village, others went further and pushed through the development of an eco-economy in the village by abandoning the previous industries based on exploiting natural resources, upgrading them into service industries based on the natural resources of the village, and by exploring the cultural and historical resources of the village. The following sections examine the transformation process of three villages, and argue that the village committees played a most important role in the transformation of the new economies in the Zhejiang villages.

7.2.4 Deqing county vs Yiwu city

Both Deqing and Yiwu city were selected as pilot areas for rural land reform. In 2009, Deqing promoted the “China Harmonious Beautiful Rural Home” campaign as an interpretation of the provincial framework “Beautiful Zhejiang”, itself an interpretation of the national project “Building a New Socialist Countryside” (see Diagram 7.1 for the full hierarchy of development campaigns). It was also a project which the county leaders believed would establish the leadership of Deqing county in the national project. The establishment of the “China Harmonious Beautiful Rural Home” campaign produced 10 villages to be national model villages and 11 provincial model villages. The ambition of the campaign was to establish Deqing county as the best practitioner in Huzhou city, top five in Zhejiang province and first tier in the nation (Deqing Archive, 2009). To develop rural tourism and attract tourists from adjacent cities, other provinces and foreign countries, the village therefore prioritised promoting the essence of rusticity as the key strategy.

Diagram 7.1: Slogans at various levels of local states

	Tianjin	Zhejiang
Central government	Building a New Socialist Countryside	Building a New Socialist Countryside
Provincial level	N/A	Beautiful Zhejiang: clear water and green mountains are gold and silver
City level	N/A	N/A
County level	N/A	<u>Deqing</u> County - China Harmonious Beautiful Rural Home
Township level	Huaming town – Same land, different life	N/A
Village level	N/A	Dongheng village – Building the best village in Zhejiang Wusi village - Beautiful Zhejiang: clear water and green mountains are gold and silver Qingyanliu village – The best Taobao village

(Source: author's own diagram)

The preservation of the village committee, unlike in the case of Tianjin where the village committee was disbanded, had a further impact on the institutional interactions and the competitive scheme in the governance system. In the rural-centric approach of Zhejiang, in which the village committee continues to serve as the grass-root level governance unit, Deqing county was able to implement a two-directional incentive structure: first, Deqing competed upwardly with other counties in the national competitive scheme of building a new socialist countryside; at the same time, it set up a downward village-level competition scheme leaving space for village autonomy, including differing strategies of “boutique village” and “model village”. By contrast, Huaming town in Tianjin at township level, was involved only in an upward competition but did not set up a downward competition scheme for villages in its administration due to the loss of individual village committees, caused by reorganisation of grass roots governance units, launch of the new urban neighbourhood

committee and loss of individual village boundaries. The institutional setup of preservation of the village committee not only creates autonomy at the village level in Zhejiang, but also has further implications in terms of village governance where the village plays an important role in addressing issues that matter to the livelihood of villagers.

The different organisation of local states in Tianjin municipality and Zhejiang province is not only reflected in the reservation of the village committee, but also in the slogans for development of each village, which the individual village committees came up with, and which highlight the variation between villages and the scope for tailoring the development plans to the circumstances of individual villages.

Comparing the different levels of rural development policy slogans in both Zhejiang and Tianjin is instructive. From Diagram 7.1 above, it is clear that in Huaming, local level states do not interpret the central goal of rural development, as the development of Huaming town is based directly on the national slogan “Building a New Socialist Countryside”. In the three villages in Zhejiang, by contrast, each village adapts higher-level development slogans to the specific context of their villages. What is especially interesting here is Qingyanliu village. Although Qingyanliu took the NSC approach to state-led urbanisation, it nonetheless preserved the village committee as the lowest level of governance, and its slogan fits in the pillar industry supported in the village, the e-commerce industry. As later sections will make clear, this was crucial to the shaping of development and livelihoods in Qingyanliu. As a county-level model village, Dongheng village established itself as a model village for the province. This reflects the proactive role of the village committee in advancing development

plans that particularly fit in the village's context, suggesting the important implications of preserving the village committee in the post-resettlement village governance.

7.2.5 Village committee's governance roles

In Dongheng Village, mining used to be the pillar industry for 30 years, which contributed to village fiscal income around 2,000,000 yuan annually. In 2009, Zhejiang province started to promote eco-development, which targeted pollution from industrial production, mining and agriculture. As a part of the development plan, Deqing county required Dongheng village to close the mines. The closure of mines meant that the village had to develop new income streams, and this happened in the same year of the village committee re-election. At the beginning of 2011, Dongheng Village was selected by Deqing county as a pilot village for "China Harmonious Beautiful Rural Home" land management, and 250 households were to be resettled from their scattered living pattern into a concentrated resettlement community. Officials from Luoshe Town asked Mr. Zhang, a village resident, who had founded a prestigious piano firm in Luoshe Town, to consider standing for election as the head of Dongheng Village and use his corporate management skills to lead the village. Mr. Zhang took the chance and was elected head of the village committee.

The existing literature suggests that in local governance, the role of town governments is often compromised due to reduced funding from the upper-level states, which pushes the townships to send their cadres down to help with village governance, and leaves a governance vacuum at township level (Smith, 2010). However, interviews conducted with villagers and Mr Zhang's team suggested that, despite his promotion by the township, he

was well-respected in the village by 2014. Soon after election, he came up with the strategy of purchasing waste from construction sites in Hangzhou for a low price, using this to redevelop the abandoned mine land, and using the redeveloped land to apply for projects and funds from the county, provincial, and even national governments. Having obtained these funds, the village could then seek further development. Mr Zhang earned his reputation as a successful village head after redeveloping the abandoned mine project.

Apart from formulating major strategies for the village development, the new elected village committee under Mr Zhang's leadership also reformed the governance structure in the village. It established a 19-member "Building a New Socialist Countryside" committee. The 19 committee members were Party members and consisted of political and business elites in the village, including retired cadres, a CCP Party member representative and villager representatives (selected from each village *zu* by villagers). One of their responsibilities was to communicate between the village and villagers, and to help villagers solve problems during the resettlement process. Before the implementation of the construction and development plans, each plan was negotiated in the committee, and voted on in the villager representative meeting, which included a broader circle of villagers. Both the committee members and the villager representatives were responsible for informing all other villagers about the decisions made in the representative meeting. According to the village committee publications, this represented a transition from making decisions for villagers to villagers making decisions for the village. By contrast, in Tianjin, the decision-making process was one directional, top-down, where the Tianjin municipal government and Dongheng district make most of the decisions and the resettlement community simply implements them.

7.2.6 Negotiation, protest and conflict of villagers

Despite of hard work done by the village committees in Zhejiang, there were still complaints during the rural redevelopment process. Compared to Tianjin where villagers struggled for more compensation resources during the resettlement process, villagers in Zhejiang complained about what they have to lose during the rural redevelopment process, which concerns the demolition of extra houses and the need to pay back loans for the new resettlement housing. As a villager in Wusi village pointed out,

“Petition and collective action only appeared in recent years. Villagers would not go against the orders of the local state in previous decades. The authorities arranged to use the land for construction and threatened villagers that they would bring down their housing if they refused to relocate, so the villagers’ only choice was to follow the order. Villagers see no one rejects it, so they would not stand against it either. Only in recent years tearing down the houses, people started to protest. They would make an announcement first, then talk to you, but if you still disagree, they would force you to do it.” (Interview WS008)

According to the Chinese Property Law, one rural household can only possess one house, but some rural households had the property rights of an old house but had also built a new house. The policy of “one house for each household” stated that only the demolition of registered houses would be compensated (Deqing County, 2014). Demolition of any additional houses that were unregistered was not compensated. The village policies explained that the existence of those houses was illegal; therefore it was legitimate to demolish them without compensation, whether new or old. There were also campaigns in

the local newspaper explaining that to have more than one house for a household was illegal. Some villagers chose to protest against the demolition of their housing without compensation. One villager in Dongheng Village said:

“We actually went to petition, around a hundred people, to the government in Hangzhou city once, but it did not work out and no one does it anymore afterwards. Officials protect each other (官官相护 guan guan xiang hu), what can you do about that? Before we arrived, a phone call informed the Hangzhou Government office (that we were coming). We ordinary people can only live with it.” (Interview DH015)

Even some of those villagers who did not make formal protests complained about the lack of negotiation before demolition and compared their case with other cases where the house-owner was a friend of one of the village cadres, and the demolished housing was compensated with around 400,000 yuan and there was negotiation before demolition.

To some extent, the existence of these complaints worked as an organic oversight mechanism where villagers monitored the behaviours of village cadres and situations where people with connections to the village committee, the source of resources, might obtain more resources. In Dongheng village, the resettlement project opened up new feedback channels for villagers and the decision-making process became more transparent and interactive with villagers’ participation. The positive impact can be attributed to the village committee’s idea of setting up the “building a new countryside” committee (in addition to the village committee). In villages which did not have the new committee, the village governance and structure remained the same.

7.3 Village committee in the resettlement plan in Dongheng village

According to Cernea (1997), based on empirical evidence from Kenya, the primary risk resettled people face is landlessness, which often causes homelessness as a consequence.

As he states,

“Expropriation of land removes the main foundation upon which people's productive systems, commercial activities, and livelihoods are constructed. This is the principal form of decapitalization and pauperization of displaced people, as they lose both natural and man-made capital. Unless the land basis of people's productive systems is reconstructed elsewhere, or replaced with steady income-generating employment, landlessness sets in and the affected families become impoverished.” (Cernea, 1997)

In the case of the Zhejiang villages, the key factors are the process of redistribution of the tangible asset of land and the implications for the intangible value of land during the resettlement process. In order to understand strategic decisions concerning land redistribution and the design of the compensation package, it is necessary to consider the following three issues: first, the compensation method for the lost farmland, rural housing and the homestead (the household plot); second, the productive efficiency of the new form of land rights; third, whether farmers have a choice when it comes to making the decision to resettle. In terms of access to land rights, this section considers the enhancement of existing ways in which those resources contribute to livelihoods through the rejuvenation of abandoned land, and a more flexible redistribution of land rights. The land redistribution process in Dongheng village was flexible because the reform untied villagers from their land,

which meant that villagers could retain rights of the land and receive income generated from the land even when they did not work on the land. Therefore, their resources were composed of both newly created and existing resources, of which the most tangible part is the compensation package and the related intangible resources that made available by the village committees. In this section, I examine the components of the compensation package, how the decision was made and its implications, as well as whether the interests of each social group was represented in the decision-making process. Then this section examines the process of resource redistribution, particularly whether farmers have equal access to each type of resource, since discrimination in access potentially creates intra-village inequality and stratification in the post-resettlement village.

Dongheng village committee was an important driver in the development of the village. It was the head of the village who came up with the idea of turning resources into sources of livelihood enhancement by using the abandoned mines for the construction of residential housing. Because the abandoned mines were unsuitable for farming, building constructions on the land for economic or residential use was the best approach to enhance the productivity of the land. Compared to Huaming town, where the resettlement community was built on farmland, the land use in Dongheng village was more efficient and created new value from the land.

In the case of Dongheng village, the village committee successfully eliminated livelihood risks and threats caused by loss of assets, which include landlessness and homelessness, according to Cernea's (1997) IRR model. Rather, the village committee in Dongheng village

was able to create new resources based on the existing resources, and identify the best way of using the resources, thereby improving the efficiency of resource use and sharing the benefits of the improved efficiency. Without the Dongheng village committee, particularly the head of the village, Dongheng village would most likely still be a village which had lost its income source from the mine, in which the livelihoods of villagers suffer because of the polluted living environment and the lack of income. It was the Dongheng village committee which applied for the funding from Deqing county and Zhejiang province, bringing in budget support and attention from the higher level states. In the 1980s, mining was the major industry in Dongheng village with more than 160 mines, the size of 700 football courts, making the biggest open mine area in Zhejiang Province. In 2009, mines in Dongheng were closed after the resources ran out, releasing 47,500 *mu* of land. After the closure of the mines, the village collective GDP dropped from 2 million yuan to less than 200,000 yuan, according to the head of Dongheng village (Interview DH009).

The resettlement project required reclamation of land in 8 sub-villages within Dongheng where 55 households had to resettle to the new concentrated village. For other households within Dongheng, resettlement was a voluntary option. Compared to Huaming town in Tianjin, where large-scale resettlement required all of the villagers to move, in Dongheng village, the amount of “shock” (sudden and unpredictable threat) created was considerably reduced by giving most villagers choices. In Dongheng, redevelopment also took place over a longer timescale than in Tianjin and this made it possible for there to be discussion and negotiations at each stage, rather than the rapid imposition of a top-down plan as in Tianjin. While the speediest resettlement in Tianjin happened within a year after the initial

development decision, the development in Dongheng village took place across a 5 year and 10 year plan. The longer period of resettlement and transition left many opportunities for negotiations and discussions when conflicts emerged, which mitigated the chances of the emergence of abrupt violent collective actions.

Dongheng village also minimised the number of people affected by displacement, something which the village committee addressed from the earliest stage, from the perspective of development rather than liability. When it comes to the intangible perspective of capabilities, the choices available in Dongheng village gave villagers the impression that their livelihood was their choice, since they were expected to be an active participant in the policy design and implementation process. The effects of this on villagers' identity and self-perception will be discussed in the later part of this chapter.

Initially, since the resettlement project required 150 *mu* of farm land, the village head came up with the idea of building the concentrated village on the abandoned mines. After consulting experts about validity of the project, he suggested the idea to the village committee and “building a new countryside” committee, which transferred the idea into reality. Dongheng Village therefore used 150 *mu* of land from the abandoned mines, of which only 9 *mu* was agrarian land, to construct the new concentrated village (*zhong xin cun* 中心村), which had five 11-storey buildings, 100 terraced houses and 72 semi-detached houses. The average floor area for these houses was above 200 square metres.

Infrastructures and facilities were also built, including the culture theatre, grocery market, supermarket and digital cinema. In Dongheng, accommodation was available for villagers to

purchase, at a rate of 1,000 yuan per square metre for apartments in the tall buildings, and 1,300 yuan per square metre for semi-detached houses. Apart from the residential area, the development area used 30,500 *mu* of land, the farming area used 10,400 *mu* and the woodland area 1,200 *mu* (Interview DH009).

7.3.1 The registration of land rights

Land rights registration was the first step in carrying out the land shareholding programme. In Zhejiang, Deqing county was one of the first counties to start the process of land rights registration in 2013, and Yiwu city started in 2015. In September 2013, Deqing county launched *hukou* reform, which aimed to abolish the distinction between agricultural and non-agricultural *hukou* by registering all the villagers as Zhejiang residents (*jumin* 居民). The first step in carrying out the policy was land rights registration because rural land was collectively owned by the village committee and individual ownership was not clearly identified. The rights registration included three types of collectively owned assets: farm land, village properties, and the homestead land.

The challenge in the land rights registration process was the settlement of cases where the boundary of the land was unclear. Unclear boundaries were a source of conflicts between villagers, households and villages. Most of the hindrance stemmed from historical problems where certain plots of land belonged to two households, or two villages, at the same time. During the land registration process, each household and village attempted to maximise their gain from the process by increasing the size of land they possessed before, making the unclear boundary of overlapping ownership on land a particularly sensitive issue during the

land rights registration process. In the short term, the disputes on the unclear land boundary increased shock for villagers where they might have to accept the fact that the land that used to be theirs was not a part of their possession anymore, or if they chose to argue for the rights of the land, their social relations with their neighbours could be put in danger and social tension increased. In the long term, the inappropriate settlement of the land rights disputes could be the source of intra village conflicts; more importantly, for the villagers whose livelihood used to rely on the disputed land, if they lost the land, their post-resettlement livelihood could be in danger.

In the settlement of conflicts and disputes, the village committee played a particularly important role in negotiating the interests between villagers, between households and on behalf of the village to other villages, making deals and making sure the process progresses. The ground work done by the village committee was critical in terms of removing the obstacles for villagers to access the new source of asset income.

The village committee in Dongheng Village also reformed the registration of land titles and rural property rights policies in the village, which made it possible for villagers to mortgage their rural housing and apply for loans from local agricultural banks. Before resettlement, increasingly fewer villagers were working on the farm, yet villagers were not able to use their housing as mortgage to take loans from banks due to the collective ownership of their property. The income from renting 6 *mu* of land was only 1,500 yuan (Interview DH012). Since 2011, Dongheng Village became the pilot place for rights registration and certification of rural homestead and rural housing, in which the Dongheng village committee rented out

the land for aquaculture and built roads as well as other types of infrastructure. The reform of the rural property rights system was the first step for the development of rural economy and secured villagers' property rights, increasing the income of villagers to more than thousands of yuan.

In conjunction with the village development strategies and resettlement schemes, village committees in all three villages in Zhejiang came up with innovative reforms to approach the collective ownership of land and village assets, while redistributing the collectively owned resources after resettlement. If the strategies for rural redevelopment created more resources in the village in the rural form, the further reforms and innovations of property rights, collective ownership and the village governance structure ensured that villagers could benefit from the newly created resources in terms of proportional redistribution of collectively owned properties. There are several benefits of the Dongheng model. First, without the burden from the increased living expenses and interruption of employment, the chance of shock being transferred to chronic stress on the cost of living was reduced. Second, the tailor-made development plan for the village created more productive opportunities, lower costs and more income sources, therefore reducing the possibility of stress.

7.3.2 Reserved farmland for villagers

In the rural development programmes in Zhejiang province, most villagers were given the option of moving to the resettlement apartments (See Image 7.1 blow). On one hand, this provided choices for villagers, absent in the Huaming town case; however, on the other

hand, villagers were not compensated as much as in the Huaming town case. While the Dongheng village committee provided subsidies for villagers who moved to the resettlement apartments, the subsidies were not aiming to restore the livelihoods of the resettled villagers by covering destroyed livelihood income sources for villagers, because in Dongheng, the income sources were not destroyed during the resettlement process. Therefore, this chapter does not use the term “compensation” when describing the subsidies in the Zhejiang case as the components, intention and meaning of “compensation” in Zhejiang is very different from that in Tianjin.

Image 7.1 New Buildings in Dongheng Village, Zhejiang



(Source: author's own photograph)

One additional way that the Dongheng village committee responded to the potential threats is not covered directly by Cernea's (1997) IRR model. It is worth noting that the Dongheng

village committee left a plot of land to replace the lost backyards for concentrated household farming. It is similar to the idea of mitigating the risk of “landlessness and food safety” as mentioned in the IRR model. However, in Dongheng village, providing a concentrated plot of land for the resettled villagers to farm served more than the basic purpose of providing self-sufficient food. The identity of farmers had been mostly associated with land, where villagers viewed land as the root of their identity. By providing a plot of land available for farming, the village committee in Dongheng aimed to preserve villagers’ rural identity and self-perception as a villager. The village committee’s action was important because the continuity in villagers’ self-perception and identity reduced the psychological shock and stress during a period of transformation and change. Especially when the physical change to the landscape is dramatic, it is important for local governors to provide residents with psychological continuity. It is this intangible facet that is not covered by Cernea’s IRR model; however, it is critical when it comes to the level of shock, stress, risk and threats that are perceived by the displaced population. More on self-perception will be provided in the next chapter, where the implications of rural development programmes in Zhejiang on social stratifications in the village and between rural and urban areas will be analysed in detail.

7.3.3 Planning for the new labour market and industry

As mentioned above, even before resettlement, most of the villagers in Dongheng worked in the mining sector, were employed in the adjacent Luoshe town, or worked in village industries or family workshops, while few were working on agricultural-related business. As the resettlement project was based on the abandoned mines, land which was not effectively

used before resettlement, it was possible to enhance the efficiency of land use in Dongheng village without creating threats to villagers' livelihoods.

Compared to Wusi village and Qingyanliu village, discussed in the later sections in this Chapter, the change in the labour market in Dongheng village was relatively small. This is because most of those who had wage work before resettlement were already based in the adjacent Luoshe town. The limited changes in the labour market avoided requiring the transformation of farmers from informal sector to formal sector workers, and from the agricultural industry to other sectors; therefore, the transformation did not require villagers to seek new income streams, which is usually the source of stress and even threats in the event of failure in securing wage work, which in Huaming town case pushed villagers to try to find employment in the urban labour market.

In summary, the Dongheng village committee played an important role in the rural development process in the village in three aspects. First, the head of the village committee came up with an economic development plan suitable for the village based on the existing resources and context. Second, it was the village committee that responded to the competition scheme set up at the county and provincial level. This bottom-up response system was important for successful rural development in Dongheng village compared to other villages in Deqing county without a rural development agenda, where the village committees were simply satisfied by fulfilling the requirements of the upper level states, rather than taking a further step by actively participating in the competition scheme and coming up with a development strategy for the village. Compared to Huaming town in

Tianjin, where the village committee was dissolved, the existence of the village committee was also important because it planned and followed up the village development plan based on the context of the specific village. Third, it was the village committee that overcame the obstacles in developing the land shareholding programme by negotiating the disputed land rights between villagers. Fourth, the village committee managed the pace of the rural development process so that villagers could adapt to it. Fifth, it also considered the psychological perspective during the development process by providing villagers a plot of land for the continuation of self-perception and rural identity, which mitigated the shock and stress created in the tangible transformation in the village considerably. That the village committee in Dongheng village was able to deliver and consider the above factors can be attributed to its closeness to villagers, the informal communication with villagers, and the feedback channels, such as small talks with villagers and visiting villagers in their homes. Moreover, the head of the village committee had been a life-long member of the village who understood the cultural and historical as well as socio-economic context of the village well.

7.4 Carrying out the resettlement plan in Wusi village

Like the land shareholding system in Dongheng Village, the rapid increase of village revenue in Wusi village in 2008 can be attributed to the establishment of the land stock cooperative (*tudi gufen hezuoshe* 土地股份合作社). Before 2008, investment from outside the village could not be brought in because there was no available large-scale land and because of the restrictions from collective ownership of the land. In 2008, Wusi Village established the first

land stock cooperative in the Huzhou area. Wusi Village committee expropriated only the rice fields (*dao tian* 稻田) and rented this land out, so villagers still retained their own farmland (*di* 地) for alimentary crops. Also, most of the villagers still continued to live in their previous housing after redevelopment; only a few villagers who lived on the planned area needed to be resettled. There was no concentrated complex built for this group of villagers, and the subsidy for resettlement was limited.

Based on the rural household responsibility system, villagers exchanged their land rental rights (*tudi chengbao jingying quan* 土地承包经营权) for shares in the land stock cooperatives. In Dongheng Village, the scheme was based on village assets, while in Wusi the scheme was based on income from letting out the collective land. The villagers received land stock ownership certificates. By using this method, the village was able to re-centralise the use rights of the land and rent it out for investment collectively. Overall, 90 per cent of farmers in Wusi transferred to work in rural tourism from small-scale farming after the land stock cooperative was established. This is different from Dongheng village where most villagers were not farming as a job even before resettlement. This indicates that in Wusi, the new wage income was more important for villagers as an income source than in Dongheng village; therefore, the transformation of the rural labour market and upgrading the agricultural industry to the service industry was vital in Wusi village.

In the land stock cooperative system, the operator of the land rents the land by bidding for it. There are also limitations on what the land can be used for, for example agricultural production must be prioritised over other uses. The amount of dividends villagers receive

from the land depends on the bidding price of the land. For example, after the first round of rental contract of 650 *mu* of land in Wusi Village ended at the end of 2002, the bidding price of the second round in January 2003 was 10 per cent higher than the first round on account of the increasing participants in the bidding and the increased competition. The bidding price in 2005 was another 10 per cent higher again. The rental price in 2007 ranged from 550-750 yuan per *mu* of land (Deqing government, 2005). Therefore, the amount of dividends villagers receive for each period depends on the rental price of the land, which is a result of the bidding process.

As in Dongheng, villagers in Wusi received dividends from leased land, which went through the village committee in both cases. Compared to Dongheng Village, as only few villagers in Wusi Village whose rural housing is located in the planned area needed to relocate, there was no concentrated complex built in Wusi. At the centre of the village, three-floor villas stand next to each other. Each villa belongs to one household and each also has its own yard. These villas are the new homes built by the better-off farmers themselves, with the costs also paid by villagers themselves. In contrast, old rural bungalows remain in the middle of the farm, which look as though they may collapse at any moment, but which cannot be seen from outside the farm. Those who cannot afford to build new houses to resettle continue to live in this old rural housing.

7.4.1 Agriculture based development plan

Wusi village pursued a strategy of eco-friendly agricultural modernisation and specialisation, creating job opportunities in large-scale agriculture and tourism. Based on the traditional

agriculture and the geographic location close to Mo Gan Mountain, and through the use of the expropriated rice field land, several strategies were used by Wusi Village to develop the agricultural industry. They included agricultural sightseeing; efficient ecological agriculture; the “happy farm” business model; the creation of a tourist centre; and an experimental agricultural project site. Agritourism is tourist activities in an agricultural setting, for example on a farm or in a greenhouse. In aiming to build a “Green Village”, the village committee built a villager park at the centre of the village, which has pavilion, rocks, fitness facilities, walking path and a small wood, which targeted both domestic and international visitors. According to village documents, in 2013, industry and agriculture total GDP reached 412 million yuan; per capita income was 20,890 yuan (Interview WS010).

Agricultural sightseeing targets domestic visitors from adjacent provinces like Shanghai. Expropriated land is rented out to greenhouse/flower companies and private investors; for example, the China Red Rose Garden, run by the Yifeng Flower Company, now produces 7,000 roses in Wusi annually (See Image 7.2 below). Traditional greenhouses were transformed into a tourist spot where tourists can pick vegetables; and activities are organised focusing on families and also school camping trips. Most customers are urbanites who have never been to the countryside before, and seek a rural experience or want to spend weekend leisure time away from the urban area. This represents the transition of agricultural industry to the service sector.

Image 7.2: Greenhouse in Wusi Village, Zhejiang



(Source: author's own photograph)

According to the statistics from the Ministry of Agriculture, agritourism brought 14.01 billion yuan for Zhejiang Province in 2013, consisting of more than 10 percent of rural household's income growth in the province. Yifeng Flower Company founded in 2007 with 20 million dollars investment, occupies 1,200 *mu* of land. It is also a "model" greenhouse in the Huzhou metropolitan area. To develop efficient ecological agriculture, the village introduced the "China Red" Rose Garden, maple planting and the cultivation of Rongze grapes. Apart from these village initiatives, the business owners also have their own ideas for gaining competitive advantage. This will be discussed in more detail in the next chapter with comparison with the impact on their livelihoods and comparison to other social groups.

Under promotion of the agritourism business model by Wusi village committee, the entrepreneurs in Wusi Village came up with different business models, of which one was

“Happy farm”. “Happy Farm” was originally a highly popular social network online game in China, which simulated farm management where players could grow crops, plants and flowers with friends, harvest them and steal each other’s vegetables. The “Happy farm” business model in Wusi Village simulated the game version, where customers could rent a piece of land and the company provided help to grow plants and vegetables, so that customers could come to the farm and harvest the fruits. The business was launched in June 2011, using 30 *mu* of expropriated land to rent out for urban tourists, with a rental fee for every 30 square metres of 1000 yuan per year. The expected gross revenue was up to 20,000 yuan per *mu*. Unfortunately, the business did not last long and had failed when I arrived in Wusi Village in 2014.

Another example of the agritourism business model, promoted by the Wusi village committee, is a 2,000 *mu* rose garden operated by a businessman from Yunnan Province. The business targets tourists from the Yangtze River Delta. After harvesting herbs, urban tourists can soak their feet in warm herbal water. In 2009, when Deqing County had a project on establishing tourist centres, the village committee landed the project for Wusi Village. The village committee organised a tourism company, a forest company and the Wuyuanda asset management company to fund the project together, while the village committee exchanged 30 *mu* of land for nine percent of shares. The stock cooperative model gave birth to “Tong Guan Manor”. After a year of operation, this tourist centre served more than 29,000 tourists and received a revenue of 4.30 million yuan (Zhejiang News, 2016).

Wusi Village not only targets rural tourism to national tourists, it also attempts to attract international tourists. The designer style of the Manor is based on Chinese Southern town characteristics, like the river, the winding narrow bridge and the water tank. Targeted at foreign tourists, advertisements of the hotel and restaurants in Tong Guan Manor could be found on English language websites and international hotel booking websites. This business initiative is successful, but it is noticeable that the entrepreneurs are mostly non-local villagers. The non-village member identity of the entrepreneurs tends to increase the social tension in the village, as will be discussed in the next chapter together with the social capital of the villagers and their self-perception.

The village plans to strengthen its competitive advantage in rural tourism. With projects like Deqing County Forest Culture museum, the village aims to upgrade the industries from sightseeing agriculture to recreational agriculture. The village also focuses on the farming culture and develops local culture experience projects, for example the establishment of the “Source of Celadon” museum. The third part of the plan is to improve the quality of service and extend the value chain of rural tourism. In each of these actions and behaviours of the village, the village committee played the most important role in attracting funding, developing projects and implementing change.

7.5 Carrying out the resettlement plan in Qingyanliu village - the rise and fall of e-commerce

7.5.1 Creation of livelihood threats

Farming was not the major income source for villagers in Qingyanliu village, in the east suburban area of Yiwu city. Due to the entrepreneurial culture in Yiwu city area, the elders typically stayed in the village to farm while the young migrated to start their own businesses. Villagers used to live in one or two storeyed housing, where the muddy road was narrow and dirty. Before resettlement, the livelihoods of villagers in Qingyanliu village relied primarily on rental income from tenants who worked in the adjacent commodity market in Yiwu. In order to gain more rental income, villagers kept building new illegal bungalows, which contributed to the deterioration of living conditions in the village. In 2005, the head of Qingyanliu village, Mao Shengping, initiated the “Renovating old villages” project, in which he organised construction of five-storey buildings and re-allocated new apartments to villagers. The villagers, seeing that other villages locally had constructed new housing with spare rooms for renting, supported the idea. Some migrant villagers who ran businesses elsewhere also came back to the village to help build the new accommodation.

“Renovating old villages” is an integrated part of the national “Building a New Socialist Countryside” programme, which focuses on the reorganisation of the village environment and efficient use of rural land. Comparing to “Renovating old village”, “Building a New Socialist Countryside” has a much broader meaning, including economic development, productivity enhancement, cultural integration and social governance. In terms of the type of housing it targets, it is the urbanisation process of the suburban area. In this way, the redevelopment of Qingyanliu can be seen as showing similarities with the Tianjin case and differing from the previous two Zhejiang villages, in terms of the scale of the resettlement programme, the pace of change and the setting up of the new urban labour market.

The reallocation of the new apartments in Qingyanliu followed a set of rules: the size of each room in the new apartment was around 36 square metres, and the number of rooms each rural household was entitled to was determined by the number of household members and the number of children. There are three communities in total in the new resettlement area, labelled A, B and C, and villagers could bid for apartments in any of the three sections. The pricing in each section varied depending on the distance to downtown, with Section A and B more expensive than section C because the former are close to Yiwu city, while section C is next to a mountain. Therefore, one apartment in Section A or B could cost more than 120,000 yuan, whereas in section C, the lowest priced apartment is around 50,000 yuan. Even in section C, however, the costs could be a fortune for villagers to afford. Mr. Liu, a man in his 40s, bought 3 apartments in section C, which cost him 100,000 yuan each. He said that it is not cheap, but he favoured the location as it is the same place as his previous housing.

7.5.2 After the transition

Similar to Huaming town in Tianjin, the transformation of Qingyanliu was rapid, taking only a month to tear down the old rural housing and a little over a year to construct the new apartments in sections A and B (See Image 7.3 below).

Image 7.3 Qingyanliu Village, Zhejiang



(Source: author's own photograph)

The new apartments were more attractive to tenants, and villagers were able to charge higher rents compared to the old housing, such that the rent of one room increased from 100 yuan to more than a thousand yuan per month. For a household living on one floor and renting out other floors, the rental income amounted to between 40,000 yuan and 140,000 yuan annually, depending on the location. The majority of villagers took loans to pay for the resettlement housing. 100,000 yuan of bank loan was made available for each apartment. With a stable rental income stream from renting to traders in the small commodity market adjacent to Qingyanliu, the villagers' fortunes improved. However in 2008, the relocation of the market to Yiwu international trade market, the world's largest wholesale market of small commodities, on the other side of Yiwu city, brought the tenants away from living in the village, posing threats to the income sources of villagers in Qingyanliu village. Villagers started to compete for tenants and the pricing for rent plunged.

7.5.3 Role of the village committee in solving Qingyanliu's problem

The village committee played an important role in addressing shock and stress in villagers' post-resettlement livelihoods in Qingyanliu by adjusting the existing top-down development plans and developing new strategies based on the progress of state-led urbanisation. When the initial plan of generating income for resettled villagers through increased rents for the new accommodation failed after the relocation of the commodity market and the loss of tenants, the village committee in Qingyanliu identified new opportunities and created new income-generating mechanisms for the resettled villagers. The problem of the village was to attract new tenants and create rental income for villagers. During that time, the concept of business-to-business (B2B) e-commerce became popular and a few young people in Qingyanliu village started to run shops on Taobao, s the most renowned e-commerce trading website in China. One villager, Liu Wengao, who ran a business selling amber, noticed the trend and set up a website for his company, which he found was an effective way of increasing sales.

Liu Wengao recommended the idea of developing as an e-commerce village to the village committee. He persuaded the village committee that e-commerce business was an opportunity not only to attract tenants for the village, but also to create employment opportunities for villagers. The head of the village accepted the idea and brought it for discussion in the village representative meetings, where the committee approved the idea and gave responsibility to Mr Liu, entitling him the head of the "e-commerce development team". Given the fact that the Taobao owners in Qingyanliu village were typically only

around 20 years old without higher education, capital advantage or price advantage, Mr Liu then came up with a competitive idea of teaming up the existing Taobao shop owners in the village and asking them to source products collectively. Whoever could source the best price product would be in charge of the products, and would share the quantity in the village. The idea succeeded and the scale of e-commerce in Qingyanliu village expanded. Afterwards, Mr Liu came up another idea to reduce the inventory level of Taobao owners in the village, which attracted even more businesses owners. Apart from the innovative ideas, Mr Liu and the village committee also negotiated preferred deals on behalf of the village with logistic companies, photography companies and other e-commerce platforms. These deals ensured lower costs in essential services required by e-commerce businesses in Qingyanliu village, providing the village with a competitive advantage compared to other villages. This series of activities earned Qingyanliu village a reputation of “Taobao village” such that Taobao store owners all wanted to come and run businesses there. The success of the e-commerce market boosted the property market in Qingyanliu village, so that the rent of a four-room apartment increased from 40,000 yuan a year in 2008 to 130,000 yuan a year in 2010.

7.5.4 Generating employment opportunities for young people

Having experienced the development of the e-commerce industry, more than 100 young people in Qingyanliu village also started Taobao businesses. The success of the e-commerce development plan can be attributed to the eco-system created in the village that provided essential services for Taobao business owners with relatively low prices, including storage, sourcing, photography and logistics. The most important factor was the location advantage

of being close to Yiwu with its International Commodity Market. The response of the village committee of serving Taobao business owners was also important, for example, setting up broadband across the village to ensure the infrastructure and facilities for Taobao business owners.

With input from a villager, the Qingyanliu village committee identified the new business trend of e-commerce and the opportunity of making the market by creating facilities for the e-commerce business owners. Compared to Dongheng village where the redevelopment plan was made ahead of resettlement, the village committee in Qingyanliu village came up with an emergency plan after the original labour market development plan, part of the top-down provincial development plan, failed. The ability of the village committee to react to the development process in such way significantly reduced the long term threats to villagers' livelihoods, and again highlights the important role of the village committee in shaping development outcomes. Nonetheless, the rental income in Qingyanliu village still heavily relies on the local e-commerce market. When the e-commerce industry under-performs, and Taobao businesses go bankrupt, the resettled farmers risk losing tenants.

7.5.5 Skill training programmes

The booming of e-commerce in Qingyanliu's resettlement complex created many work opportunities. However, the e-commerce opportunity requires villagers to be computer-literate where most of the villagers are not. The village committee therefore provides free training sessions for villagers who would like to run e-commerce businesses. Despite the availability of training programmes in Qingyanliu village, e-commerce has even higher

requirements for entry, and most of the older farmers have never seen a computer in their lives. To set up a business in the newly developed e-commerce industry and succeed in it requires the resettled farmers to be computer literate and understand the business world. Therefore, the newly created work and entrepreneurship opportunities in Qingyanliu village also benefit those who have acquired urban skills (computing, and more specifically typing, using search engines and understanding marketing and customer service), education and experience already, which is similar to Tianjin case. The similarity between the Qingyanliu case and Tianjin case is that the skill training rarely those who did not have urban skills with the new skills they need to work in the urban labour market. Similar to Huaming town, in Qingyanliu village, some local villagers together with rural migrants set up their own stand in the middle of the resettlement community (See Image 7.4 blow).

Image 7.4: Informal vegetable market in Qingyanliu Village



(Source: author's own photograph)

The main reason behind the skill requirement and the failure of the training programme shared by Huaming town and Qingyanliu village is that both of the two places are with NSR approach where there was large-scale resettlement and development of industrial clusters. By contrast, in Dongheng and Wusi, the economic development programme and the industries promoted during the process are easier for villagers with no urban skill-set to participate in.

Although there are also other work opportunities in Qingyanliu village apart from e-commerce, for example in the nearby restaurants, those work requires farmers to have

customer service skills and willing to work in a fast pace, indoor environment, and following a fixed work schedule, which farmers might not be willing to.

7.6 Management in post-resettlement Dongheng and Wusi village

7.6.1 Cultural training programmes - Educating and “civilizing” the villagers

To improve the employability of villagers as well as their “*suzhi*” (quality) – transforming villagers from old farmers to new farmers living an urban lifestyle, for example rubbish recycling and increased consumption, the Dongheng Village committee used their village theatre for a range of events including educational events. Apart from cultural events, performances and competitions, there were also public lectures targeting villagers. Trainings targeted at adults included upgrading “Harmonious community exemplified village” (*he mei jia yuan jingpin cun* 和美家园精品村); public lectures on gardening and agricultural skills; and sessions on eliminating illiteracy, organised by Luoshe Town Adult School. Most such training sessions provided in the village targeted teenager education and cultural education of adults. This shows the efforts of the Dongheng village committee in improving employability and *suzhi* of villagers, launched as a part of their rural redevelopment programme. Not only does the project aims to imitate the urban area in terms of the construction of the village and buildings, but also matching the *suzhi* of villagers to the urban standard. According to recent literature, “*suzhi*” in the context of reform-era China has been used as a measure of the worth of human capital, which is attached to individuals as a label

(Anagnost, 2004). The devaluation of individuals' *suzhi* is often in the aim of exploiting their labour power in the case of rural migrant workers (Anagnost, 2004). When it comes to resettled farmers, a study of in the resettlement project caused by hydropower plant building in Yunnan province, local ethnic minority residents were framed as "backward" and "low-quality", implying that the locals were responsible for the lack of development of the area rather than the absence of development intervention (Harwood, 2013). Moreover, the rhetoric framing had a further impact since the "social engineering" project aimed to transform farmers into urban workers who could contribute to the growing demand of labour in the Chinese economy (Harwood, 2013). Similar to the Nu River case, resettled villagers in the state-led urbanisation process in both Tianjin and Zhejiang were usually framed as having low *suzhi* and being "backward", compared to their urban counterparts, and this was reflected in the training programmes on offer. On one hand, such framing blames the lack of development or any failure of rural development projects on the low quality of resettled villagers; on the other hand, the framing could also shape the dreams and desires of the resettled villagers, by aiming to transform resettled villagers into urban workers.

Similar to the four dimensions in the Deqing County "China harmonious beautiful family" project, Wusi Village also aimed to improve the *suzhi* of villagers. Both the villages use the model family strategy and labelling, for example "Peaceful family", "Green family", "Harmonious family", "Entrepreneurship family" and "Learning family". Households that are entitled to these labels are elected by villagers. In the total 444 households in Wusi Village, 352 "model *Hemei* households", 260 "civil families" and 65 "learning families" were

selected. The head of the village employs such strategies for households to supervise each other and to catch up with the model households. During interviews, villagers did not mention much about the methods, expressing neither liking nor dissatisfaction toward the method.

Wusi village also used labels for individuals, such as “model daughter-in-law and mother-in-law”, or “model neighbours”. Moreover, the village established model characters like the story of Li Peihua who was filial to his parents. The *suzhi* training of villagers started from young people, including social activities in the greenhouse. The competition for model families was to reduce violent behaviours in the village, also behaviours that breach the law, break the one-child-policy, and superstition and gambling activities. Labelling thus has two function. On one hand, the rhetoric of the labels sets the *suzhi* objectives for villagers. On the other hand, in a community with small number of population, it serves as an incentive mechanism among households.

When it comes to effects on identity, self-perception and social stratification, discussed in detail in the next chapter, the most striking change has been found in villages where the individual village boundary is damaged and villagers live in a new community, either in the rural or urban context. In the three villages in Zhejiang, both Qingyanliu village and Dongheng built new residential communities for resettlement, while the configuration of Wusi village remains the same and the individual boundary of the village remains unchanged. As a result, it is not surprising to find the most changes in Qingyanliu village, where state-led urbanisation involves the largest-scale resettlement, and in Dongheng

village where there is also a newly built community, but villagers had choices to move in or not. In contrast, limited changes in villagers' self-perception and social stratification are found in Wusi village.

7.7 Conclusion

Parallel to Chapter 5, this chapter has explored the set of livelihood risks, stresses and shocks in the NRR approach to state-led urbanisation, paying special attention to the role of the village committees in the three villages in Zhejiang and the transformation of the key institutional mechanisms, including the rural labour market and redistribution of village assets, and the generation of entrepreneurship opportunities. This chapter shows that, in the case of the three Zhejiang villages, the village committees played an important role both during and after resettlement concerning overcoming livelihood risks, threats, stress and shock.

Specifically, in Dongheng village, the village committee played an important role in creating income sources where the village committee came up with an economic development plan, and applied for funding from upper level states. By negotiating the disputed land rights between villagers, slowing down the pace of rural development process and reinforcing the rural identity of villagers, the Dongheng village committee not only reduced economic risk experiment by villagers, but also psychological stress and shock. In Wusi village, it was the village committee that generated the new idea of agritourism business model and

implemented in the village. In Qingyanliu village, it was the village committee that adopted the e-commerce business strategy from the villager, of which the success of the model significantly reduced the long term threats to villagers' livelihoods. After the resettlement process, the village committees acted as an informal feedback channels for villagers and providing training for "modern" villagers. Village committees are able to identify local problems immediately and respond in a timely manner, which secures the livelihoods of villagers.

Compared to Huaming town and Qingyanliu village under the NSC model, the village committees in Dongheng village and Wusi village under the NRR model contributed more in terms of assisting the resettlement process and creating plans to share common property; moreover, the economic development plans also tend to be designed from the interests of the village rather than an urban blueprint. The empirical evidence in this chapter shows that compared to Chapter 5 where rural development did not happen in Huaming village, one important reason is absence of the village committee. Without the village committee on the ground, the county level state cannot set up a competition scheme for the villages to compete and for the villages to come up with bottom-up economic development plans that are the best suitable for the socio-economic and cultural context of the individual villages. Therefore, the existence of the village committee is as important as the behaviours of the village and the cadre motivation system in the rural development with a NRR approach.

Chapter 8 Post resettlement livelihoods in Zhejiang

8.1 Introduction

Parallel to Chapter 6, which focuses on the implications of resettlement for livelihoods in Tianjin, this chapter discusses implications for the livelihoods of individuals and households with the New Rural Reconstruction (NRR) approach to the state-led urbanisation process in Zhejiang province. Concerning the implications for livelihoods, this chapter considers three inter-related questions from the perspective of individuals and households and examines the impacts of resettlement upon their livelihoods.: first, how individuals and households are affected by the state-led urbanisation process; second, the responses and strategies of individuals and households in overcoming livelihoods threats; third, the effects of resettlement on the perception of villagers, in terms of their self-perception, identity and fairness of resources redistribution. Because of limitation of space, again this chapter does not discuss each village in every section; rather, it selects the most suitable examples in each section for discussion.

To understand the livelihoods of resettled farmers under the NRR model fully, this chapter discusses how different social groups are affected by the transformation of each of their livelihood components. The first part of the chapter identifies the gains and losses of livelihood resources, with comparison to the NSC model regarding the primary type of capital necessary to make a sustainable living in the reorganised rural environment of the resettlement community. The livelihood resources include tangible and intangible assets, where tangible assets are farm land, rural housing and family plot, and intangible assets

include the intangible value of land, human capital, and social and cultural capital. Then the chapter moves on to examine the existing and new ways in which resettled villagers' possess or lack capabilities to act on the new dynamics of the allocation and redistribution of assets. Because different social groups have various capabilities and sets of skills, as in Huaming town, the new dynamics of resource allocation benefit certain groups while disadvantaging others. This chapter examines whether this is also the case in the villages in the NRR model in Zhejiang province, as well as outlining the various patterns of activities and strategies that resettled villagers use in response to different livelihoods implications. Along with the new redistribution of resources and the response from villagers, it also examines whether new types of social stratification are an implication of the post-resettlement livelihoods under the NRR approach to state-led urbanisation, and compares the Zhejiang cases to Huaming town in Tianjin.

8.2 Assets – land and the land shareholding programme

With the NRR approach, the rural development process in Zhejiang is different from the state-led urbanisation in Tianjin in terms of the transformation of land assets and the methods of redistribution of the land assets, as discussed in the previous chapter. Three characteristics of the land shareholding programme and the NRR approach more generally include: first, the separation of land rights from the economic activities on the land; second, the reserved rural setting with individual village boundaries unchanged and no large-scale resettlement to a new community; third, in Dongheng village, the village committee

reserved a plot of land for farmers to grow their own food in a self-sufficient manner, and did not expropriate the previous farmland until the new plot was available. This section focuses on the implications of these new forms of assets and distribution methods on the livelihoods of different social groups in the three Zhejiang villages. In order to compare explicitly with Huaming town in Tianjin, this section especially focuses on the vulnerable groups whose livelihoods were negatively affected in the Huaming case, including unskilled farmers, entrepreneurs who had developed businesses before resettlement, women, farmers in their 40s and 50s, and the elderly.

In Zhejiang, as the following discussion will show, these social groups benefit from the land shareholding programme in a variety of ways. For entrepreneurs and business owners in particular, access to the new form of land assets provides them with opportunities to expand their businesses, while the preserved rural setting preserves their business models and secures the continuity of their businesses. For other villagers, while they are untied from land with the access to the new forms of assets, the reserved rural setting maintains the rural informal economy in which they participate and the reserved household plot of land serves to keep their living expenses down.

8.2.1 New source of income from land shareholding programme

The three villages in Zhejiang all avoid the IRR model's risks of landlessness, homelessness and loss of access to common property in the short term through different approaches. These different approaches lead to various effects on longer term risk and threats. The access to land assets of the vulnerable groups is secured in both Dongheng village and Wusi

village, because of two measures taken by the village committees. First, the land shareholding programme ensures that villagers still have access to the profits generated by the land despite not directly participating in productive activities on the land; second, reserving a plot of land collectively for farmers to produce self-sufficient food meant that there is no increase on living expenses and therefore farmers face no pressure of seeking for new source of income.

As outlined in Chapter 7, the village committees played important roles in assisting vulnerable groups to access the new form of land assets based on the land shareholding system through the land stock cooperative (*tudi gufen hezuoshe* 土地股份合作社), in which Deqing county was one of the first counties to start the process of land rights registration in 2013. While Dongheng Village became the pilot place for rights registration and certification of rural homestead and rural housing since 2011, Wusi Village established the first land stock cooperative even earlier in 2008, as a pilot spot in Deqing county. The land shareholding system allowed villagers to exchange their land rental rights (*tudi chengbao jingying quan* 土地承包经营权) in the form of shares. This benefitted individual villagers by preserving their possession of land assets while they were not physically participating in productive activities on the land. This also benefitted the village collectives by re-centralising farmland and transforming small-scale farming into more productive large-scale farming, as well as enabling a shift from a solely agricultural economy to a service economy.

8.2.2 Benefits from land shareholding

Business owners in Zhejiang particularly benefitted from the new form of asset redistribution through the land shareholding programme. Compared to the findings in Huaming town, where most villager entrepreneurs lost their businesses after resettlement because of the expropriation of the land on which their businesses were built, and therefore suffered from the pressures of looking for new employment and deteriorating living standards, the livelihoods of business owners improved in villages in Zhejiang. Not only were their businesses not destroyed with the rural development programme, the land shareholding programme provided better organised land for them to rent and expand their businesses, and benefits from economies of scale, bringing more income.

Similarly, for prospective entrepreneurs, especially farmers with agricultural skills and expertise, or who had urban work experience and ideas but did not have the capital to start their own business, the rural development programme in Zhejiang and the increased supply of spare land for economic activities also generated new opportunities to rent land and start businesses. Having the opportunity to take out bank loans, for example access to formal credit for the first time, helped with this too. Therefore, entrepreneurs and prospective business owners benefitted from the better access to the productive factor of land from the land shareholding programme.

Another group that benefitted from the land shareholding programme in Zhejiang was those vulnerable in the Huaming case, including unskilled farmers, particularly those in their 40s-50s, women and the elderly, who were untied from direct physical participation in agricultural productive activities on farmland through the land shareholding programme.

Instead, they could participate in other productive or entertainment activities while still receiving dividends from the land shareholding programme. Furthermore, the large-scale farming and the upgrading from agricultural to service sectors on the expropriated land usually increased the productivity of the farmland, which meant that this group of villagers received more financial benefits than working on the land by themselves.

8.2.3 Benefits from the reserved rural setting

Apart from benefiting from the land shareholding programme, the preserved rural setting in Dongheng and Wusi villages in Zhejiang was not only a blessing for business owners and entrepreneurs, but also for the vulnerable groups listed in the Tianjin case, including unskilled farmers in their 40s-50s, women and the elderly.

For business owners and entrepreneurs, the reserved rural setting was an opportunity to upgrade their existing business operations in the agricultural sector and expand into the service sector, rather than start over again. By contrast in Huaming town, where the countryside was reorganised as an urban community, previous business owners were forced to give up their businesses, either because the land was expropriated or the customer base was substantially changed, or because the business model had no competitive advantage in the new urban context. For example, as discussed in Chapter 6, the transportation business model, which depended on the distance between villages and provided easy access service for villagers to commute between villages, no longer matched the demand in the market, because there was no distance between villages after they were relocated to one concentrated community. As a result, for the owners of transportation businesses, their

options were either to identify a new opportunity in the new urban community context, or give up the entrepreneurial activity and looking for waged employment. Re-identifying new business opportunities and developing a successful business model based on them is risky and often fruitless, although there were cases of success. By contrast, in Zhejiang, there was a much more limited change in consumer demand, which prevented large-scale negative impacts on businesses.

8.2.4 Benefits from reserved farm land

By contrast with Tianjin, the living expenses in rural Zhejiang remained at a similar level to that before resettlement. In Dongheng Village, the village committee reserved a plot of land in the concentrated village for villagers to farm. During my fieldwork in 2014, the reserved farm land was still at the planning stage because not all villagers had completed the resettlement process. According to the plan made by the Dongheng village committee, after the resettlement was completed, villagers would farm on a concentrated plot of land where each household had their own small area. Farmers could use the land to provide vegetables for their own consumption, but it was not designed for professional farmers due to the small scale. Before moving to the concentrated village, villagers still farmed on their own previous land and the village committee did not expropriate farmers' land until they had completed the resettlement process. As discussed in Chapter 6, resettled villagers in Huaming town complained about the waste of their farmland, indicating that the urban neighbourhood committee expropriated their farmland and then left it empty before the land was contracted for construction. Villagers in Huaming were dissatisfied with the fact that while

the land was not being used for the new economic activities, they were not allowed still to farm on the land. Compared to Huaming town, the implementation plan of the Dongheng village committee maximised the productivity of land by avoiding any gap period where the land was not in use.

Image 8.1: Supermarket in Dongheng Village, Zhejiang



(Source: author's own photograph)

Most Zhejiang villagers did not live on agricultural production after resettlement. Instead, the vegetables harvested from the land were mostly consumed by their own household rather than sold. This had the effect of not increasing living costs, unlike in Huaming town, where resettled villagers complained about the increasing expenses of living. In Dongheng village (See Image 8.1 above) and Wusi village, because the previous villages were preserved, as well as much of the rural housing, the majority of the villagers still did not

need to pay for water, gas or community service fees after rural development. With the reserved plot of concentrated farmland where villagers could farm, self-supplied food was still available. This particularly benefitted those groups who were vulnerable in the Huaming case, including unskilled farmers especially those in their 40s-50s, women, and the elderly.

For these groups, while not participating in the urban labour market as in Tianjin, their activities and lifestyles were not substantially affected by the rural development process in the villages in Zhejiang. They continued to contribute economic value to households by providing self-grown food for their families, the relationships and division of labour in the rural households are maintained.

While the Dongheng village committee provided subsidies for villagers who moved to the resettlement apartments, the subsidies were not compensation for destroyed livelihood income sources, as in Tianjin, since livelihoods were not destroyed. The process of resettlement in Dongheng village therefore substantially eliminated the shock and threats to livelihoods during the transition period. From the material perspective, even if farmers did not receive the subsidies in time, they could still be self-sufficient in food; therefore, there was little threat to their living expenses. On the other hand, leaving farmers with their previous farm land until after the resettlement process was complete also reduced the level of psychological shock, since villagers tended to perceive that their livelihoods after resettlement were not much different from those before, apart from the location of their house.

8.2.5 Improved living conditions

Among the three villages in Zhejiang, living conditions were improved in the two villages, Dongheng and Qingyanliu, where there was a newly constructed resettlement community. In Wusi village, living conditions remained the same for most, since only the rich could afford to build new housing and the poor stayed in their old housing. The two functions of improved living conditions regarding villagers' livelihoods are retaining villagers who were seeking to move out of the village, and shaping villagers' behaviours and perception of their identity.

By contrast, in the Tianjin case, where villagers were resettled to the urban complex, the original rural environment was entirely lost. Villagers needed to adapt to the concrete and brick built urban buildings, and were kept away from the rural environment of mountains rivers which they were used to. Compared to this approach, village committees in Zhejiang made efforts in retaining and improving the natural rural living environment for villagers.

After resettlement, every resettlement household in Dongheng village was equipped with a septic tank and the sewage treatment rate reached 100 per cent. The Dongheng village committee invested more than 2 million yuan and built the first solar powered sewage treatment pond in Deqing County, processing 30 tons of household sewage daily. The eight pig farms in the village were also equipped with biogas ponds. These were new infrastructures built by the village committee, allowing households to raise domestic animals in their backyards; at the same time, it enhanced the efficiency of resource use in the village and made it more environmentally friendly. This had two effects. On one hand, the living condition in the village was improved and the villagers felt that the organised rural living

environment was increasingly like urban life; on the other hand, enhancing the natural and built environment was also an important measure for the village committee to take in order to encourage tourists to their transformed eco-tourism industry or other ecological-based economy.

Moreover, before the redevelopment programme, smaller natural villages in Dongheng Village had no access to broadband Internet or TV, and some households did not even have access to electricity and water. One advantage of land consolidation and the resettlement project was that individual households no longer needed to work on refurbishing and rebuilding their houses anymore, but had access to these housing supplies after the rural redevelopment programme.

In Dongheng Village, living conditions also improved considerably after resettlement due to the closure of mines and the attempt at restoring the natural environment by planting trees and growing a forest. By planting the forest, the Dongheng village committee aimed to enhance the environmental quality of the village, and to restore the natural scenes in the village. In this way, the village became even more rural, which also happened in Wusi village where the village committees encouraged villagers to protect the environment for attract tourists for the eco-tourism businesses, while forming sharp contrast to Huaming town and Qingyanliu village where the village became more urban. Villagers contrasted the current living environment in Dongheng favourably with that in the former mining community, when the mine-transporting vehicles drove around the village, leaving holes in the ground and the air full of dust. Ms. Yao, a housewife in her 40s, said, “The transporting vehicles came and

went, the dust was everywhere and I could not even open the window nor could I dry our clothes outside". After the rural redevelopment project, villagers' attitudes towards their living environment improved considerably. As Mr. Jiang, a retired factory manager in Luoshe town, pointed out: "The environment has improved a lot after the closure of mines and abandoned mines redevelopment. Recently it was the egret laying period; tens of thousands of egrets gathered near the mountains. Also, from next month, we can use gas at home." This suggests that the local villagers welcomed the combination of the natural environment with the introduction of urban facilities. This forms a sharp contrast with the villagers' views in Tianjin where resettled villagers complained about the loss of their natural living environment and the difference between urban and rural living environments.

Surrounding the residential area in Dongheng is the cultural theatre, exercise ground and agrarian product market. Decisions concerning the construction of these were initiated by the head of the village and the village committee, and passed in the village representative meeting. "Villagers can enjoy city life without going out of the village" was an official slogan promoted by the head of the village. This suggests that the combination of the rural natural environment and urban infrastructure was the goal of the village committee, which attempts to make villagers feel proud of the village where they live, which is an interpretation of the NRR framework. Concerning the combination of natural living environment with improved infrastructure, some villagers expressed their preference for the countryside compared to life in the city. Mr. Hu, a man in his 50s who used to do administrative work in a cotton factory in Luoshe town, explained: "My son asked me to live in the city with him. I refused. The environment in the village is much better than that in the

city. Dancing, singing, watching films, we can do whatever people in the city do and it is all free here.”

The above discussion shows that Dongheng village committee attempted to combine the natural environment and urban infrastructure in the village, and successfully gave villagers the impression that living in the village is even better than living in the city. Most of the villagers agreed with the idea that they could do whatever urban people could do, and even better, because it is free in the village but not in the city. This include free cinema and cultural events in the theatre, since the village has built a cinema and a cultural theatre for the first time after resettlement, and organises free cinema nights for villagers. Most of cultural events in the theatre are organised in the aim of improving *suzhi* of villagers, providing skills training seminars or providing cultural education for the young people. These activities are free and not compulsory, although the village committee encourages the villagers to attend. In reality, however, the attendance rate is usually low.

Furthermore, compared with life in a town or county, there is still a lack of population, and limited choices for cultural, food or entertainment consumption in the village. Villagers might not know what life in the city is really like, although they feel that the lifestyle in the village is more “urban” after redevelopment. Villagers resettled in Tianjin have much better access to the urban consumption and entertainment facilities because of the reduced distance between the resettlement community and the urban centre, as well as because of the construction of the urban resettlement community with urban facilities.

Nevertheless, it is important to note that better access to the facilities does not mean that the villagers necessarily use them. The reasons behind this are both economic and cultural. Economically speaking, villagers with urban work could normally afford urban consumptions due to their urban income, but for unskilled farmers, their lack of urban income sources and the lack of rental income suggest that they do not have the same purchasing power as the urban-skilled workers. Culturally, the villagers, particularly those who do not have urban experience, are used to a lifestyle that is predominantly not based on consumption. Therefore, even if it is financially possible for them to access to the urban entertainment facilities, it is not likely for the villagers to use them.

8.2.6 The proportional redistribution of assets

Compared to Huaming town where villagers lost their land rights with a one-off compensation, in Zhejiang villagers still possessed the rights to land, while the access to land is transformed from tangible to “intangible” access. The intangible access brought both benefits and disadvantages for villagers in Zhejiang. As for advantages, the access provided a long-term income source for villagers in Zhejiang; also, as the dividends villagers received were closely related to the economic performance of the business operating on the land, the values of the land shares increased with the passing of time and economic growth. The long-term approach to dividend sharing avoided the problems in the Huaming case, where villagers were cut off from their land in a potentially unsustainable one-off deal. In a one-off compensation, the value of the land is typically determined by the market price of the land at the time of compensation distribution. From the perspective of villagers, they would

always find the deal unfair given the possibilities of increased value of their land with the passing of time

Although in the Zhejiang case the proportional distribution of the land rights is not equal, in the sense of giving an equal amount of land to each household, villagers tended to perceive the redistribution method as fair, as they received a number of shares with equal value to their previous possession of the size of their land.

While the former ensured proportional redistribution of assets and access to it through village membership, the latter enabled the vulnerable groups to support themselves with low living costs. Although the proportional redistribution of assets did not equal reallocation of assets to villagers, and thus involved of the risk of enlarging the intra-village wealth gap, it created a perception of “fairness” among villagers. This had an impact on villagers’ intentions to take violent or non-violent actions, when they compare their gain of assets compared to their neighbours. I analyse this in the context of social stratification and conditions for collective action, with a comparison to the Huaming case, in the last section of this chapter.

In Dongheng and Wusi, the gain of assets was not from rental income as in Huaming town; rather farmers gained access to their collectively-owned asset through the land shareholding schemes. This new way of providing access to land tended to benefit villagers equally. Unlike in Huaming, the new access to land was not transferred into rental income; instead the new access to the asset of land was based on continued village membership, where the village committee organised productive activities on the land collectively on behalf of the villagers.

During the fieldwork, I found that the vulnerable populations, including unskilled farmers, people in their mid-late 40s50s, the elderly and women, were better off in Dongheng and Wusi villages compared to Huaming town. The following will examine the villager groups that benefit in Dongheng village first and Wusi village second.

8.3 Human capital and capabilities

Sen (1997) explains the broader meaning of “human capability” compared to “human capital”, where “human capability” also concerns individuals’ choices, ability to lead lives they value based on their experiences, socio-economic background and personal reasons, as well as being an integrated part of the productive process. According to Sen (1997: 1959), the broader sense of capability enhances “people’s ability to be agents of change, the ability to question, challenge, propose and ultimately usher in new ways of doing things, and the ability to change the rules of the development game.” This means that capabilities are essentially about individuals’ ability to act on their possession of capitals, including human capital, land capital and social capital. Capability could be interpreted as the interaction between the living context, individuals’ possession of capital and their activities in making use of the capital to make a sustainable livelihood. Therefore, a change in any of the three components would affect the livelihood results after resettlement. In the three components, the context of living and the assets possessed by the resettled villagers are considerably affected by state intervention, as discussed in Chapter 7.

Although villagers are the subject of their own activities, their behaviours are also shaped by state intervention and guidance to some extent. Synergy is generated in capabilities when the changing context works well with the changing capitals. For human capital, the synergy is about whether the newly developed labour market matches the skill-sets of the villagers, or whether they produce greater economic value based on villagers' skill-sets and experience. Changing the skill-sets of villagers to match the skill-set requirement of the new labour markets could also increase synergy, although this requires the provision of employment training programmes, as well being conditioned on the ability of villagers to absorb new knowledge and transform their skill-sets. Similar to human capital, when it comes to social capital, the networks and access to certain institutions and organisations enhance people's capability to use those capitals and enhance their livelihoods. Moreover, social capital gives people the chance to express their value, the voice to articulate demand and be the agent of change (Bebbington, 1999).

Different groups of people benefit in different villages. As mentioned in Chapter 6, in Huaming town, the resettlement process made it easier for villagers who have urban skill sets to act on their human capital and take investment initiatives on their property ownership. In contrast, it was more difficult for farmers without urban skills to act on their human capital, to acquire property ownership or to start businesses. In the three villages in Zhejiang, similar to Huaming town, certain population groups benefit more from the synergy between their capabilities, human capital and land rights. However, these are different groups of people compared to those in Huaming. In Dongheng village and Wusi village, the resettlement project brought opportunities for villagers to act on their entrepreneurial skills.

Therefore, villagers who were already running rural businesses before resettlement could expand their business by renting more land from the village committee. These people were usually those who either have business management experience before resettlement already or those with specialised knowledge in a field who set up a new venture after resettlement to step up on their skills. This shows that the Dongheng and Wusi model benefitted small business owners and entrepreneurs. For ordinary villagers who spent their life time farming and without any business running or management experience, they were not likely to take advantage from these opportunities, but nor were they typically worse off after redevelopment.

8.3.1 Villagers with urban skills

Despite the improved living conditions, villagers with urban skill sets did not benefit as much in Dongheng village as they did in Huaming Town in Tianjin. There are two reasons behind this. First, the resettlement community was based in the original village, where it took around an hour by car and 1.5 hours by bus to commute to the adjacent Deqing county town centre. The infrastructure improvements did not decrease the commuting time like in Huaming Town, mostly because the individual boundary of Dongheng village was preserved and the resettlement community built on the previous village land. Second, there was no new labour market developed in the resettlement community. For villagers with urban skill sets, or specialised skills like wood furniture making and piano making, there was not much difference in their work before and after the rural development process, unlike that in Huaming town. The most important reason is that most of the small-scaled manufacturing

factories these villagers worked in were based in the adjacent Luoshe town. Similar to Huaming town, this group of villagers gained their skills and work experience before the rural development process.

8.3.2 Villagers without urban skills

For those with only farming skills, although there was no apparent enhancement of their skill-sets, the value generated by their assets increased after rural redevelopment due to the change of context. With the same set of farming skills and similar activities on the farm, by working as agricultural wage labour for the service driven eco-economy, the economic value generated by the same activities increased after rural redevelopment. Furthermore, after improvement of the social welfare system to meet the urban standards, villagers enjoyed the same level of social welfare as their urban counterparts. Although the rural development process did not involve a compensation package like that in Huaming town where some villagers become rich very quickly by gaining assets, villagers in Zhejiang did not become rich in new assets but kept their old assets of land in various new forms, including shares, reserved plots, and the ability to take bank loans based on their land.

As mentioned above, villagers in Dongheng have newly acquired diversified income sources without increased living expenses. Villagers have income from the land transference programme where villagers let the land to the village committee and the village shares dividends to villagers from collectively organised productive activities. Mrs. Hu, a female villager in her 40s working in the village committee, who knew the resettlement programme well, explained that “After the land was transferred to the village, the village used the land

for aquaculture and the annual rental income for our household from the land amounted to 100,000 yuan.” Mr. Jiang, a man in his 60s, now retired after farming for most of his life, commented similarly: “My household receives more than 10,000 yuan each year from the land transference programme.” Compared to before resettlement, the land rental income increased from 400 yuan per month per *mu* to 1300 yuan per month per *mu*. This is in contrast to Tianjin where the property rental income for a 45 square metre apartment is 300 yuan a month.

In comparison to Dongheng Village where the adjacent Luoshe Town already had many small enterprises and provided work opportunities for farmers both before and after resettlement, Wusi Village developed new rural labour markets, which created opportunities that matched the skill-sets of farmers. After the establishment of the land stock cooperative, villagers received land-leasing income of around 500 yuan/*mu* per year with an increase of 10 yuan/*mu* per year. According to the interview with the head of the Wusi village committee, compared to the previous small-scale traditional agriculture, the income from every *mu* of land increased by 140 yuan per month where each household had 3 *mu* of land on average; at the same time, villagers were released from the land. Villagers were now free to move and work outside the village.

For those who in their 50s with low levels of education, they were unlikely to find new work outside the village but had the opportunity to work in the new greenhouses as wage labourers for monthly incomes of 900-1,000 yuan. Work in the greenhouse varies from laying bricks (see image 8.2 below), to binding up and packing flowers. The tolerance of age

in employment in Wusi village is better than that in Huaming town, where most of the positions in the urban labour market in the Airport Economic Logistic Zone do not accept workers older than 40s. Overall, villagers' average annual income tripled from 3860 yuan in 2006 to 14,844 yuan in 2010 (Wusi village, 2010).

Image 8.2 Local male villagers working in the greenhouse in Wusi village



(Source: author's own photograph)

Seen from one perspective, then, Wusi successfully attracted investors from elsewhere who created new livelihood opportunities for the local villagers, for example working in the greenhouses. Seen from another perspective, however, outsiders came in and the locals now had to work for them, while the outsiders became rich. While this section discusses the response of the local villagers in Wusi village in terms of their employment choices, the social stratification section will focus on the implications of influx of the migrant entrepreneurs on local villagers' self-perception, identity and the further effects on intra-

village social stratification. Rural tourism businesses created agricultural wage opportunities where villagers could use their farming skills and work as waged labour. Nevertheless, in reality, very few Wusi local villagers chose to work as waged agricultural labour in the greenhouse for two reasons. First, they thought that working for a migrant was losing face; second, they reckoned that the non-local entrepreneurs were prosperous only because they were able to rent and run business on the village land. Seeing non-locals benefitting from their own land made the local villagers envious of others and unwilling to contribute to their success. The consequence was that some villagers refused the chance to work as agricultural wage labour in the greenhouses run by non-local entrepreneurs. For the small amount of villagers who work in greenhouses, most of them are in their 40s and 50s. While male workers do brick laying, female workers tie flowers up into bunches.

For those who could not find work or were not willing to work as wage labour in the greenhouses, they spent their days playing Mah Jong. Similar to resettled villagers in Tianjin, villagers in Wusi Village complained about the hard work of waged labour and that the money was not worth the hard work. Compared to pre-resettlement where villagers worked for themselves, working for others on their own land challenged their perception of their identity. Although agricultural wage work requires a similar set of agricultural skills to independent farming, there are considerable differences regarding shifts, working times and work discipline. Similar to the non-agricultural wage workers in the Airport Economic Logistic Zone near Huaming town, waged farm work also requires workers to work according to a timetable where they take breaks in turn and need to fulfil their shifts. Compared to this rigid work schedule, while working on their own farmland farmers used to be able to work

to their own timetable and take breaks at will. Moreover, in terms of work discipline, waged farmworkers are required to follow a set of procedures and are assigned certain tasks. It is the above employment relationship, work schedule, shifts and labour discipline that affect farmers' perceptions of themselves as wage workers rather than a rural farmer.

In Qingyanliu village, most resettled unskilled villagers relied on rental income as the major income source. Compared to rental income in Tianjin where it could only be used as a complementary income but was not enough fully to cover monthly expenses, in Qingyanliu Village each household was resettled to half a building of apartments (normally 5 apartments), so they could solely rely on the rental income to cover their living expenses. Nevertheless, villagers in Qingyanliu Village were resettled to the new apartments mostly with their own savings, with very limited subsidy from the state, which meant that they had to pay back loans. The need to pay off loans pushed villagers to look for work in the labour market or to set up their own businesses. Some computer-literate and business-savvy villagers set up e-commerce business and succeeded, becoming wealthy enough to afford to move out of the resettlement community. As in Huaming, most of these successful villagers chose to rent out the whole resettlement apartment and buy a villa somewhere else with a more pleasant environment to live, and to live in the same area with people who possess a similar amount of wealth.

8.3.3 Business owners and entrepreneurs

Compared to Tianjin where most of the business owners lost their businesses without compensation, business owners in Zhejiang were able to expand their businesses after the

rural redevelopment projects, which can be attributed to the village committees' efforts in reforming the property rights.

In Dongheng village, for those who had worked in the quarrying business, particularly the mine owners, their business was bankrupted due to the exhaustion of resources in 2009 before resettlement, and villagers who used to work in the industry had to find alternative employment. Although quarrying was a major industry in the village, mine owners who were struck most by the closure of the mines were the minority of big bosses who could explore other mines in other places, while most of the medium-sized mine owners chose to quit the business and look for work in other industries. Most of those who worked on the mines could find waged work in other industries after resettlement. As Mr. Hu commented: "After the closure of the mine, my son, nephew and their friends went to Hangzhou to do other businesses." Resettlement provided work opportunities for them where they could use the capital they accumulated from their quarrying business or mortgage their housing and take loans from the agricultural bank. After the closure of mines, Mr. Dai used the accumulated capital from the quarrying business to purchase a wine making factory in the village. After three years, the factory was running well, and spent more than 6 million yuan on machinery upgrading in 2014. However, others expressed concerns about the risk and hardship of starting a new business, and chose not to risk their capital.

Villagers with special skills, for example sericulture, borrowed loans from the village and start their own business. Mr. Lu used his housing as a mortgage and borrowed 300,000 yuan loan from the bank to expand his aquaculture business. Mr. Lu had years of experience in

aquaculture and he had a small pool for aquaculture business. After being able to borrow loans from the bank, Mr. Lu expanded the business and the business benefits from the economics of scale.

In Wusi village, two types of work opportunities were created: entrepreneurship opportunities of starting and running a new business, and work as agricultural wage labour – the latter of which, as explained above, was unpopular with villagers. Because villagers' farmland was expropriated and collectively managed by the village committee, it became available for renting, and in theory, anyone could rent a plot of land from the village committee and start or expand their business. In reality, though, the opportunity was not open for every villager because capital was required for land renting and knowledge for managing a business as well as technical skills, for example in botany. As Mr. Wang, a villager in his 50s who had spent his lifetime farming in Wusi village, complained about the situation: "Both locals and non-locals could rent the land to run a greenhouse, but it is the rich non-locals who really rent the land and run the businesses" (Interview WS003).

Most of the businesses run on the rented land were greenhouses. The village committee discovered that the demand for flowers and seedlings in Zhejiang Province was high and there was a huge gap on the supply side. Much of the demand was met by importing from other provinces, particularly cut flowers, which enjoys high popularity in domestic households. Although Kunming in Yunnan Province is a major cut flower supplier, the cost of transportation limited the market it could cover, creating a gap for cut flowers from Wusi. The business model had two parts: one was the flower wholesale business, where flowers

including roses, orchids and others were exported to other provinces domestically or even internationally. The other part of the model was rural tourism, where the greenhouse itself attracted tourists for the display of flowers and group activities. The former business model lies in the agricultural industry, while the latter belongs to the service industry. As outlined in the above paragraph, ordinary villagers usually did not have the required capital to rent land, nor did they have the expertise and skills to run and manage a business in the service industry. Instead, the opportunity benefitted already-existing business owners who could expand their businesses.

Most of the new business owners in Wusi village were from other provinces. They either had experience running their own businesses before in Wusi village or had work experience in the urban service sector. This suggests that they had the essential experience, skills and expertise running their entrepreneurial businesses, apart from being able to afford to take risks. The influx of migrants, both of entrepreneurs and labourers, created increasing amounts of social tension in Wusi, making the local villagers more aware of their village membership and the distinction between locals and non-locals. The tension became particularly acute when the local villagers realised that not all the migrants were poor, and some of them, like the entrepreneurs, were doing far better than the local villagers. When the non-villager entrepreneurs hired agricultural wage labour from the village, villagers became even more sensitive about their identity. There are two actions that local villagers took as response. First, they reinforced the local village network by aligning with people who they knew; second, building on the first reaction, villagers included entrepreneurs in their

network only when they were introduced by a familiar villager. As one entrepreneur who is from the same county but a different village, running an orchid greenhouse, said,

“Local Wusi villagers think we are non-local (waidi ren 外地人), but we are from the same County, just not this village. They see us like outsiders; it’s very curious. If no one they know introduces you to them, or if they have never heard of you, they would think you are from other places. I can adapt to anything. No business is possible if you do not network with locals.” (Interview WS002)”

In Qingyanliu village, unfortunately, nine out ten villagers did not become rich with the growing of the e-commerce business. The mismatch between villagers’ skill-sets and the labour market left three options to the villagers. One was to learn computing and upgrade their skills to join the new labour market. In reality, however, very few villagers could actually learn computer skills. Attending the e-commerce training programme required that villagers already know the basics of how to use computers, or at least how to spell, but many resettled farmers in Qingyanliu village were illiterate. The other choice was to find unskilled/semi-skilled work in the community or restaurants which had opened to cater for the incoming tenants nearby. The third option, which left the villagers in a vulnerable state, was to rely solely on the rental income from their resettlement housing, in which case villagers’ income was tied to with the ups and downs of the e-commerce industry. Whether it is possible for villagers to maintain a sustainable livelihood is still in question, particularly considering the fast-changing and competitive nature of the industry since the e-commerce market is reaching maturity. When it came to the housing market in Qingyanliu Village, it

meant a high turnover rate of tenants because most businesses could not be sustained for more than half a year. In the more rural-centric approach, the agriculture-based businesses provide the possibility of wage work for farmers with their existing skill-set (even if they are not always willing to take up such work), and provide entrepreneurial opportunities for the current and potential business owners. Additionally, it sets free non-agricultural villagers from the land, brings them additional income and strengthens their village membership and rural identity.

The Dongheng and Wusi cases in this research show that, securing the individual land use rights through institutional innovation could also remove the barriers for farmers to participate in off-farm activities in rural areas, releasing the potential of untapped rural land assets by creating liquidity, which leads to increased entrepreneurial activities and the growth of the local economy in Dongheng and Wusi village.

Compared to Tianjin, there appears to be enhanced rural economic performance as well as increased entrepreneurial activities in Zhejiang. In Wusi village there is the emergence of rural tourism, and in Dongheng village we see villagers with skills and management experience expanding their fish cultivation businesses, wine making factory and wood manufacturing factories. In contrast, although the scale and technology involved in the businesses in Tianjin are much more advanced than that in Zhejiang, it is however more common for small businesses owners there to lose their businesses due to land expropriation. New entrepreneurial businesses set up by the resettled villagers in Tianjin mostly aim to meet the demands of urban consumption, rather than the previous rural

based consumption, including property agents and convenience stores. Although they draw on the same customer base, i.e. the resettled villagers, demand has shifted to urban-based consumption. For examples, farmers spend more on decorating their new apartments like an urban apartment and purchasing electronic devices, like TVs, washing machines, and furniture, like sofa. The change in demand requires the enterprise owners to adjust their business models to meet the new tastes in Tianjin. Even though some business owners were brave enough to pick up the challenge, they face fierce competition from already-existing businesses within Tianjin city and have to find a niche to survive and thrive.

One constraint for rural tourism development is its requirement for investments from the government. Usually, it is difficult for the businesses to raise funds via bank loans because of the small size of rural tourism enterprises; at the same time, those loans are critical in terms of business expansion and reaching economies of scale. In Wusi village, with the village committee presenting itself as the representative of the collective land, it built up partnership with the agriculture credit banks and made it possible for businesses to borrow small amount of bank loans. On one hand, this creates more entrepreneurial opportunities for the resettled villagers; on the other hand, the land shareholding system ensures the income of farmers with no urban skill-sets.

In conclusion, it seems that the Tianjin case benefits those few who were already better off. Those who can fit into the urban labour market and can take economic risks are the well-connected and those with urban experience and urban skill-sets. As a result, the best off do better in Tianjin than they would have in Zhejiang. But the worse off, who are less able to

adapt to change/cope with shocks, are mostly much better off in Zhejiang compared to Tianjin.

8.4 Challenges and struggles

8.4.1 Qingyanliu village – burden of debts

As mentioned in Chapter 7, it was theoretically possible for villagers in Qingyanliu Village to pay off the debt incurred through purchasing resettlement accommodation in three years if villagers saved up their rental income. In reality, only a handful of villagers managed to save their rental income as much as possible, paying off debts from 2005 to 2008. However, during the fieldwork, villagers' comments reflected that only a part of the villagers have the self-discipline and investment knowledge to do this. Others spent their rental income in gambling or on important uses like education of their children and healthcare, and were still trapped in debt during my interviews in 2014. Although the Qingyanliu property market was re-boosted by the e-commerce sector development in 2007, the reliance on the rental income for livelihoods tied villagers to the performance of the local industry, which constituted a livelihood risk.

Compared to Huaming town where resettled farmers were stuck in the resettlement community and white collar urban workers could usually have the initial capital to make investment in Tianjin city and move out, it is similar in Qingyanliu village. In the latter, some villagers set up Taobao businesses, among which a few succeeded in the businesses and

made a fortune enabling them to invest in apartments outside of Qingyanliu village as well as outside of Yiwu city. Those who succeeded in Taobao were usually the earliest entrepreneurs who set up Taobao business. It became increasingly difficult for the late entrants to be profitable from the business due to the increased competition level and stabilisation of the e-commerce market. As in Pareto principle, at certain stage, the market typically evolves into a situation where 80% of the market share and profits are taken by the 20% of the players in the market (Juran & Riley, 1999). When the market matures, it becomes very difficult and risky for small players to survive, let alone make their fortune from it.

Comparing Huaming town in Tianjin and Qingyanliu village in Zhejiang, in both villages, the majority of resettled villagers tended to be stuck in the resettlement community due to the lack of capital to invest in apartments elsewhere or because they could not afford a period with no rental income coming in. The difference is that in Huaming, those who were able to source additional income to afford apartments outside the resettlement community were often people who worked in the urban area, who had urban working experience and education credentials before resettlement. It was their skills, knowledge and experience in the urban sector that differentiated them from the rest. Those who suffered from the process were exactly the opposite, particularly those who had spent almost all their life in farming without any urban work experience, or the essential skill-sets and knowledge to join the urban labour market. In contrast, in Qingyanliu village, those who benefitted from the resettlement process were an entirely different group. They were the entrepreneurs who caught the business opportunity of trading on the e-commerce platform, setting up their

online business at a very early stage, picking the right products and using the profitable marketing strategy.

In both cases, Huaming town and Qingyanliu village, although the skill-sets, work experience and background required for the winners are different, what the outcomes have in common is the population group that is excluded from the process. In both villages, farmers who farmed throughout their lives, without skills of capturing market trends or participating in business development, would not have an opportunity to become either of the two successful groups.

8.5 Strengthened village membership and the villager identity

When it comes to the difference between urban and rural areas, the economic gap and perception gap were both reduced in the three rural villages in Zhejiang province. Some villagers even believed that their economic condition was better than that of their urban counterparts after the rural redevelopment programme, and they had a choice in terms of the place they live and their identity. Villagers in the fieldwork sites in Zhejiang tended to prefer their rural identity. In the three villages, the superior status of the countryside was reflected from different perspectives.

In Dongheng and Wusi villages, very few villagers moved out of the village after resettlement, even those who expanded or started their own businesses. There are two facets of village membership and identity; on one hand, village membership concerns the

material benefits that are attached to it; on the other hand, village membership is also closely related to villagers' self-perception and identity. Before discussing the financial and psychological implications of village membership, this section first examines access to village membership.

The current village membership is an extension of an individual's previous *hukou* status after the rural and urban *hukou* statuses were replaced by the Zhejiang universal residence status in 2014. In the case of Dongheng village, villagers qualified for village membership if the registration address on their previous *hukou* was in the village and they had not transferred it to an urban *hukou*. Villagers would lose their membership if they moved out or transferring to urban *hukou*. The new village membership was issued by birth to children born in the village, while the village did not accept the transference of *hukou*, either from non-village residents or from previous village residents who had already transferred their *hukou* out of the village.

The village membership system in Dongheng village is similar to the previous *hukou* system, where the privileges and benefits are restricted to a certain group of the population. The strict village membership scheme was designed by the village committee to ensure that only villagers in Dongheng were fully entitled to the financial benefits generated from the collectively owned village assets. In the case of Dongheng village, the three most important benefits of holding village membership included: first, the dividends generated from the collectively owned village assets; second, cash payback from the land shareholding programme; third, village membership qualified the villager to purchase housing in the

village, which is unavailable to non-village residents. Given the combination of the restrictions on qualifying for the village membership and long-term financial benefits generated by the village membership status, most of the villagers chose not to give up their village membership even if they could financially afford to move out of the village.

Other reasons varied according to the background of the villagers, but the two typical reasons given by villagers concerned their activities in the village and the more choices they had if they kept the village membership. For villagers who owned their own businesses, they rarely moved out of the village even if they could afford it. Because the built environment remained rural-based, entrepreneurial activities were usually based in the agriculture sector, either in the form of value-added agriculture, like fish farming, or the service industry, like rural tourism. For villagers who did not run businesses in the village, they benefitted from more choices of property ownership either in the village or in the urban towns and the land shareholding programme by keeping their village membership, and most of them were proud of being a part of the village.

Most of the villagers in Dongheng expressed contentment with rural life and their rural identity. Mrs Chen, a woman in her 40s, living in the newly built resettlement housing and working in a factory in Luoshe town while her husband ran a business, said:

"I have an apartment in Luoshe town and just bought this apartment as well. I live in my apartment in Luoshe during the week days and spend the weekend in Dongheng village. The air is fresh here, the house is bigger and I can plant vegetables in my own garden here and cook organic food for myself – very relaxing. I kept my village membership because I could

always buy an apartment in Luoshe town or Deqing county with my village hukou, but I could not own an apartment in the village if I change it to urban hukou.” (Interview DH018)

The above quotation shows that Mrs Chen was content with rural life, or even preferred rural life to urban life because of the closeness to nature, the space for gardening and the peaceful mindset in the countryside. Mrs Chen had the villager identity but had urban employment. Materially speaking, she had more choices in terms of property ownership and a place to live by keeping the village membership. Also, as shown in the previous sections of this chapter, as the distribution of dividends from the village collectively owned asset was based on the village membership, villagers received more financial rewards by keeping their village membership. From the conversation with Mrs Chen, there was no sign of concerns of low rural *suzhi* or the perceptions from urban people of rural people as backward. The decision to stay or leave Dongheng village was more driven by practical concerns over living conditions. Mrs Chen further suggested that she was not the only one behaving in this way, since friends in her circle also tended to keep their village membership. She also suggested that most of the residents in the detached houses, unlike the tall buildings, had another apartment either in Luoshe town or in Deqing county.

In Qingyanliu village, the livelihoods of both of ordinary villagers and entrepreneurs were improved after the rural development programme. The enhanced economic condition of villagers in the resettlement community also had an impact on their self-perception, considering both the administrative boundary of the new resettlement community and their economic condition compared to urban residents. On one hand, living in the now urbanised

area made villagers perceive themselves as urban people. As one villager in her 40s reflected during the interview, “We used to be rural people, but now could be accounted urban people as we live in an urban area.” (Interview YW009). On the other hand, for ordinary villagers, the economic conditions were enhanced after resettlement due to the gain of urban apartments, which significantly increased their rental income. Compared with urban residents, especially the ones who live across the street, villagers believed that their economic condition was better than that of their urban counterparts.

“Urban people have a much harder time than former rural people. After the equality of job opportunities, there is no difference between rural and urban after the reconstruction of the rural community, at least in Yiwu area. Because you cannot arrange work for urban residents anymore and they do not have apartments to rent out.” (Interview YW011)

For the successful entrepreneurs, in contrast to Dongheng village but similar to Tianjin’s Huaming town, in Qingyanliu village the resettled villagers who succeeded in the e-commerce business tended to move out of the resettlement community. Their neighbours claimed that they were moving on to live in luxury houses somewhere else. As resettled farmers left in the community were those who relied on rental income, they let apartments to e-commerce owners, which brought service businesses like restaurants and logistic services. Therefore, unlike in Huaming town, the resettlement community developed an effective combination of local formal and informal economy. This did not happen in Huaming, because the formal planning of the Airport Logistic Area where the functions of the zone had been planned at the provincial level, aimed to introduce airport industry-

related companies where most of the companies are either state-owned or foreign owned with high level of market capitalisation. The formal layout of the area and the special function of the zone encouraged the development of international manufacturing or services businesses rather than small businesses that served the local residents.

The impact of this for those who live in the resettlement community in Qingyanliu village is that, first, they can find work in the local informal economy; second, they could use the services provided for the e-commerce businesses themselves, for example eating in the restaurants. Comparing with the lifestyles of those in Tianjin, the resettled farmers in Qingyanliu village are incorporated into the local economy more thoroughly, including work and leisure activities, apart from their residential address. This has further impacts on identity where the urban lifestyle makes the resettled villagers in Qingyanliu village identify themselves as urban people more easily, while those in Tianjin expressed more confusion in terms of their identity.

8.5.1 The village identity and the outsiders

In Wusi, because of the seasonal nature of greenhouse work as well as the unwillingness of local villagers to take the work, the greenhouse businesses owners hired migrants, and they expressed the difficulties in hiring enough workers during the busy times. Therefore, this created a unique phenomenon in the Wusi labour market of unfilled agricultural wage work; at the same time, villagers complained that they could not find a job because foreigners took their land. In this situation, although the non-local entrepreneurs would prefer to hire local villagers, when the posts were unfilled, they imported labour from other adjacent villages.

The cost of non-local farmers is higher because the entrepreneurs need to provide them with accommodation and food as well as wages. These actions further introduced more non-locals into the village, with a mixture of high-end and low-end skill sets. The business owner who ran an orchid greenhouse said:

"I hire local villagers (as agricultural wage labour). Local villagers are cheaper than migrants. There are many women, but we need male labourers. For Wusi village, 60-70% are working in this agricultural park. Young people all go outside. The population is small here, and there is a lack of labour." (Interview WS002)

This quotation implies that there is a labour division based on gender in the village where male farmers usually do bricks laying work and female farmers do tying flowers; moreover, the quote suggests that local women are more likely than local men to take up the work. From the perspective of the entrepreneurs, it is a matter of challenge to fit in the village and cope with the local villagers. Another business owner from another part of Deqing County explained that he was still seen as non-local by the Wusi villagers, but expressed determination to overcome his outsider status, since business would be much more difficult if he failed to network with the locals (Interview WS002).

This shows the importance of social capital and networks in the village. Compared to Huaming town, the boundary of Wusi village was not broken by redevelopment. On one hand, similar to Dongheng village, this strengthened the village membership and villagers' self-perception as a rural person and a membership of the village; however, on the other hand, it also created barriers for non-locals to mix and fit into the village. This was not a big

issue in Dongheng village, because the rural development project was not attached to a new labour market drawing a great number of migrants. But in Wusi this increased the level of social tension, because most business owners on the rented land and agricultural wage labourers are not local villagers. As the above example suggests, even when the non-local was from the same county as Wusi village, the strong social network in Wusi still rejected the person until the person took actions and actively made connections with the locals. In terms of villager identity, by contrasting with the new non-locals, Wusi villagers feel their identity and social networks strengthened. At the same time, barriers to entry the village and the village network increased for outsiders.

Unlike Huaming town, in Dongheng village and Wusi village, the new required skills to make a living in the resettlement community were not urban-oriented. They were still based in the agricultural sector, and were typically not much different from the previous ones. While the required skills were still agricultural-based, the new built environment and the enterprises create opportunities for farmers to participate with their existing skill-sets, particularly for those who do not have urban-related work experience. On the other hand, for villagers who had the experience and ambition to start their own businesses, resettlement opened opportunities for them to expand their businesses as well. Therefore, in Dongheng village and Wusi village, villagers can be grouped into people who expanded their own businesses and people who worked for others. In Qingyanliu village, villagers can be grouped into those who setup their own e-commerce businesses successfully, and those who lived on rental income.

8.6 Conclusion

In conclusion, this chapter has examined the livelihood implications for villagers under the NRR approach to state-led urbanisation with the IRR framework and livelihoods framework in three villages of Zhejiang province, Dongheng village, Wusi village and Qingyanliu village. It shows that the rural development process has different effects on different population groups. In Dongheng village and Wusi village, under the NRR model, farmer's land rights are proportionally redistributed based on individuals' village membership. Entrepreneurs and unskilled farmers benefit from the access to the new forms of assets. When it comes to human capital, Wusi village creates more entrepreneurial opportunities and wage work opportunities for villagers. Nevertheless, most of the villagers are unable to act on these opportunities due to their lack of business operation knowledge, experience and capital, and their unwillingness to engage in wage labour for others on their land.

Neither Wusi nor Dongheng village particularly benefits the urban white collar group, which by contrast benefits the most in Huaming town in Tianjin. Qingyanliu village is rather more similar to Huaming town, operating under the NSC approach. Similar to Wusi village, in Qingyanliu village, although there are abundant opportunities for entrepreneurs, most of the villagers cannot act on these opportunities. Compared to Huaming town in Tianjin, the village membership is strengthened in two of the villages in Zhejiang through the redistribution of village assets and collective land through the land shareholding programme. Villagers also become more proud of their rural identity.

In terms of social capital and social stratification, the village membership in both of Dongheng and Wusi villages is strengthened, while the influx of migrants to Wusi village drives local villagers to be more sensitive about their identity and attempt to distinguish themselves from the outsiders. Nevertheless, the re-enforced rural and village identity also creates barrier for the outsiders to settle down in the village. Overall, the comparison suggests that the best off, in terms of education, connections and existing urban-type employment, do better in Tianjin. However, the worse off, which is the largest part of the villagers in each case, do better in Zhejiang.

Chapter 9 Discussion and conclusion

9.1 Main findings and arguments

This thesis has attempted to answer the question of how the livelihoods of resettled farmers are affected by the two different approaches to state-led urbanisation process. The evidence from Tianjin and Zhejiang supports the widely held view that, in many countries and particularly in China, the state plays a critical role in shaping the livelihoods of the displaced population. Nevertheless, the relationship between state intervention and livelihoods implications on the displaced population is unclear where the focus of the debate is the modes of state intervention, whether NSC or NRR approach is better. This thesis has approached to this important question with a livelihood perspective.

The main argument of this thesis is that the village committee and the organisation of the local states that play a critical role in shaping the livelihoods of the resettled farmers, reducing livelihood risks, stress and shock, and creating resources, space and opportunities for sustainable livelihoods. The mode of state intervention matters; when it fits the local context, at individual level, not only does it create conditions for the better-off to benefit from development, but also for the worse-off and more vulnerable groups to benefit as well. At community level, this also reduces the intra-village wealth gap and intra-village conflicts. This research finds that the NRR approach to state intervention is more flexible in planning, adjusting and adapting to the context of individual villages in the context of village transition and rural development than the dominant NSC approach. The main reason for the success of the NRR approach is that, as a result of the organisation of local states, the village

committee plays an important role in designing and implementing the policies. This is in comparison to the NSC model where the village committees for each village were replaced by the urban neighbourhood committee, which oversees all the previous villages in the resettlement community. The vacuum of governance body at individual village level during the transition period led to loss of collective assets and deterioration in the livelihoods of certain groups of villagers, especially the vulnerable populations.

The first part of this section summarises key findings on the livelihoods of social groups in Tianjin and Zhejiang respectively; then it compares the same social groups across Tianjin and Zhejiang to reveal the role of the village committee and the organisation of the local states in eliminating livelihood risks and creating sustainable livelihoods; the last part of the section goes beyond the implications of transition of tangible assets, discussing transformation of rural identity under the two modes of development approaches.

9.1.1 Tianjin - Huaming town

In Huaming town, Tianjin municipality, where farmers were resettled to the urban resettlement community under the NSC approach, the state-led urbanisation process has various implications for different groups. There are three distinct groups in Huaming town: those with urban skills, those without urban skills, and business owners. Urban skills in the case of Huaming town are those that could be gained through higher education and related work experience, including computer skills, report-writing skills, communication skills, interpersonal skills and the ability to work in an office. This section summarises the livelihoods of these different groups after resettlement by focusing on the livelihood risks,

stresses and shocks they suffer, as well as their possession of resources for the maintenance of sustainable livelihoods.

As Chapter 2 discussed, one major theoretical framework for understanding DIDR is Cernea's "Impoverishment, Risks and Reconstruction" (IRR) model. The impact of DIDR on uprooted people's livelihoods is threefold: economic, social and psychological. More specifically, according to the IRR model, eight risks threaten the livelihoods of displaced people: 1. Landlessness. 2. Joblessness. 3. Homelessness. 4. Marginalization. 5. Increased morbidity and mortality. 6. Food insecurity. 7. Loss of access to common property. 8. Social (community) disarticulation (Cernea, 2007, p1572). Support for the displaced population's livelihood restoration is typically composed of three parts: compensation for resettlement and lost assets; assistance during the transition period to the resettlement site; and shared benefits of the additional economy created by the more efficient use of rural resources (Cernea, 1993). Given the risks and consequences, Cernea (2007) argues that effective measures to minimise or avoid damage include the setting up of national safety nets, supported by substantial national financial investment, in the form of compensation from multiple channels apart from cash compensation. Project planning from the start of the project with the aim of mitigating adverse effect is also key. The restoration of livelihoods concerns not only how access to common property resources is lost, but also how access to new resources is created. Having recapped the relevant literature on livelihood risks, stress and shock, the rest of the section will summarise the empirical findings using these frameworks.

9.1.1.2 People with urban skill-sets

For this socio-economically stronger group, low levels of livelihood risk, shock and stress are created during the resettlement process. This group, accounting for around 30 per cent of the population in Huaming town, includes those who are in their 20s to 40s, with higher levels of education and urban-related work experience before resettlement. The transition period may create disruption to their daily routine, but this disappears when they settle down in the new community.

They benefit overall from the process in four ways: through gain of rental income, high wage income, urban networks, and the improved living environment. With regard to the gain in rental income, in addition to the average gain of two apartments, people in this group understand the policies of resettlement and how to maximise their personal gains while not violating the law (in particular, those who work for the Huaming government and banks in Tianjin city centre do well from resettlement compensation). Second, in terms of the high wage income, their skill set fits in the new labour market created in the urban setting of the Airport Economic Development Zone; at the same time, they benefit from the closeness of the resettlement community to the urban labour market as well as the urban city centre. Third, they benefit from the urban networks and connections in two ways. Their urban networks provide this group with the information and connections to take advantage in the redistribution process of resettlement apartments. They also open up new work and entrepreneurial opportunities, providing this group with better access to urban resources, opportunities and information. The urban network is still helpful when villagers do not have

urban skill sets; for example, in the case of the taxi-driver-turned-property-agent in Huaming town who built her business based on advice from her previous clients. Fourth, while gaining at least the average of two apartments, this group does not rely on the rental income to support their living expenses. They are white collar professionals, whose salary is sufficient to cover living costs. Therefore, they are able to rent out most of the resettlement apartments, or buy commercial housing in Tianjin city.

9.1.1.3 People without urban skill-sets

In contrast to the group with urban skills, the livelihoods of those with no off-farm experience are worse in Huaming town after resettlement. This group includes farmers without urban skill-sets or work experience (especially those in their 40s-50s), those who are not well connected, and many women, accounting for around 65% of the residents in Huaming town. Compared to the urban-skilled group, this group tends to receive less rental income; at the same time, their urban living expenses are higher than in the rural area.

This group, which was already socio-economically weaker, suffered from significant livelihood risk, shock and stress. Furthermore, the post-resettlement livelihood of this group is also affected by the form of the new labour market and land related policy. Compared to the urban-skilled group with good networks and connections, there are two types of people in the unskilled group. One has village-level connections, such as to the village committee, and was often able to take advantage of the resettlement process; the other group includes people who have neither urban connections nor village connections. The most they could obtain is two apartments, and some of them only received one. During the transition period,

they needed to rent apartments in the resettlement community. Although the expense was covered by the local state, this interrupted their daily life routines, creating shock and stress, and requiring adaptation. Households with more family members who occupy all/both the resettlement apartments they obtained do not have spare rooms to rent out to generate rental income. Therefore, the group that needs the rental income the most is often unable to obtain it.

Compared to the urban skilled group, this group also suffered from lower levels of wage income, because there are no farming opportunities in the new urban labour market, and the loss of their household plots also reduced the opportunity to take domestic production work. Compared to the urban skilled group, whose skills and work experience are in high demand in the Airport Economic Development Zone after resettlement, unskilled labourers are also required to work in manufacturing or as cleaners and security guards. However, this low end of the work spectrum is regarded by the locals as a type of work only for migrants, and taking up the work involves a loss of “face”. Furthermore, many stated that they did not reckon the low salary worth the effort. Without the cash flow generated from multiple income sources, most of this group therefore relies solely on rental income to cover their living expenses. The reliance on rental income ties them into the resettlement community, and they lack additional savings and cash liquidity to invest in commercial housing and move out from the resettlement community.

Without the additional income of the urban skilled group, it is already difficult for this group to make a living after resettlement where the loss of the rural setting, farmland and plots

has a further impact on those with no off-farm experience in their 40s-50s and particularly women. These two groups used to combine farm work and informal domestic work. Losing the rural setting not only causes them to lose their income stream, but also the physical space for domestic production and reduction of expenses. Although these two groups are freed from the farmland, they typically fall into a dilemma of not fitting in the urban labour market while there is nowhere to farm either. Where this group used to use the farmland or the household plot to generate food self-sufficiently for the household, the transition of living environment from rural to urban, which requires a neat and organised community layout, eliminates any space for this group to reduce their living expenses. At the same time, living in the urban area, they face new payments for water, gas, heating and community maintenance fees, which did not exist in the rural setting. These changes have a much lower impact on the urban skilled group, as they did not rely on the farmland for food, nor was it an income source.

9.1.1.4 Business owners and entrepreneurs

The transition of the community setting from rural to urban had an even greater negative impact on the livelihoods of business owners and entrepreneurs in Huaming town. Those who ran their businesses and factories based on farmland, around 5% of the Huaming population, were compensated for the loss of the land they occupied. However, they were not compensated for the loss of their factories and businesses built upon the land. The suspension of business and the need to relocate caused some entrepreneurs to abandon their businesses. Restarting businesses in the new urban setting involves many uncertain

factors, including space, rent and the suitability of the business type. Those who failed to start over in the new urban setting, were forced to look for waged work. While used to hiring people to work for them, these businesses owners reflected in the interviews that the need to start working for others was a big shock. Moreover, the previous business owners also reported deteriorating living standards, and had to adapt to a more prudent way of living. This generates livelihood risk and long term stress for the business owner group.

On the other hand, not all entrepreneurs suffered from the transition of the community setting. Some identified opportunities in the post-resettlement community and started new businesses, such as the real estate agent who set up an agency after resettlement and found herself now in a booming rental housing market. However, not all former farmers were positioned to identify and take advantage of businesses opportunities in the new living environment. The new entrepreneurs were those who had a certain level of urban work experience, urban connections, or knowledge, and as such overlapped to some extent with the “urban-skilled” group identified above. For example, the property agent used to combine farming with taxi driving before resettlement, and had built up a network with lawyers and accountants who worked in Tianjin city in that work. Her clients gave her advice during the process and also helped set up her new business. Farmers who spent their whole lives farming did not have the network, capital, or the know-how to reinvent themselves as entrepreneurs.

9.1.2 Zhejiang – Dongheng village, Wusi village, Qingyanliu village

Unlike Huaming town, where the urban skilled workers benefited the most from the resettlement process, this group did not particularly gain or lose from the rural development process in the three villages in Zhejiang. The urban skilled group is around 10% of the population in Dongheng village, 10% in Wusi village and 15% in Qingyanliu village. The main reason for this stability is the location of the three villages in Zhejiang. Dongheng village and Wusi village were less connected to industrial development centres, and there was no advanced manufacturing development. Therefore the skills that were in demand in Tianjin were not so much so in Zhejiang. Although Qingyanliu village is located in the suburban area of Yiwu city, the pillar industry in Yiwu is small commodities trade, which does not require construction of offices or factories; therefore, the urban skilled workers did not benefit from the state-led development as much as the same group in Huaming town.

9.1.2.2 People without urban skill-sets

A group that benefitted from the NRR approach in Zhejiang was those who were left most vulnerable in Huaming, including those with no off-farm experience, particularly those in their 40s-50s, women and the elderly. This is the majority group in Zhejiang, amounting to around 70% of the population in Dongheng village, 80% in Wusi village and 70% in Qingyanliu village.

The livelihoods of this group were enhanced in villages in Zhejiang for the following four reasons. First, in Dongheng village and Wusi village, the land shareholding programme untied those with no off-farm experience from direct physical participation in agricultural productive activities on farmland. Instead, they could participate in other productive or

entertainment activities while still receiving dividends from the land shareholding programme. Furthermore, large-scale farming and the upgrade from agricultural to service sectors on the expropriated land usually increased the farmland's productivity, which, because of the land shareholding programme, meant that this group of villagers received more financial benefits than working on the land by themselves. Second, this group of farmers in Dongheng village and Wusi village also benefited from the concentrated plot of farm land that was reserved by the village committee in their village development plan,, and perceived the proportional redistribution of assets as fair.

Third, the reservation of the individual village boundary and the rural setting provided this group a choice in terms of resettlement; importantly, they could keep doing the domestic production work they did before resettlement. Fourth, the development of rural based business opportunities, for example eco-tourism in Wusi village and e-commerce in Qingyanliu village, also benefitted this group. In Wusi village, some of this group worked together with the urban skilled entrepreneurs in the rural tourism businesses (*nongjiale* 农家乐), or worked as agricultural waged workers. In Qingyanliu village, this group worked with the e-commerce business owners and provided accommodation and logistic related services. Thus, they gained from the synergy between rural based businesses and the informal economy, including family workshops and domestic work.

However, not all those without off-farm experience were better off in Zhejiang. In Qingyanliu village, many farmers had to fund their own apartments in the resettlement community. Similar to Huaming town, villagers were forced to move to the resettlement

community and relied on rental income from the resettlement apartments to cover living expenses. As villagers relied on themselves to find tenants, this increased the level of stress and livelihood risks in both cases. In comparison, in Dongheng village and Wusi village, the village committee recruited tenants for the land on behalf of the villagers and redistributed the collective asset income to villagers directly, which reduced the level of livelihood risk for individual villagers and households. Furthermore, if villagers in Qingyanliu did not have other income streams, the lack of cash liquidity left them stuck in the resettlement community, a livelihood situation similar to that of those with no off-farm experience in Huaming town. In contrast, in Dongheng village and Wusi village, very few villagers were forced to find new income streams after resettlement and very few were in debt after the rural redevelopment programme. This is because the village committees gave most farmers a choice of whether to resettle, and tailored the resettlement plan to minimise the number of people affected. This aimed to make sure that resettlement improved the livelihoods of farmers, and to attract them, rather than force them, to move.

9.1.2.3 Business owners and entrepreneurs

In sharp contrast to Tianjin, where business owners were a vulnerable group, business owners and entrepreneurs in the three villages in Zhejiang benefited from the rural redevelopment programme in a variety of ways. The entrepreneurs and business owners group was around 20% of the villagers in Dongheng village, 10% in Wusi village and 15% in Qingyanliu village. Unlike Huaming town where business owners lost their businesses due to the expropriation of land and suffered from deteriorating livelihood standards, in the three

villages in Zhejiang, business owners had more opportunities to expand their businesses after rural redevelopment and enjoyed enhanced livelihoods. Business owners and entrepreneurs in the three villages in Zhejiang benefited for five reasons: better access to land, improved access to financial instruments, preservation of existing business, emerging new business opportunities, and no increase in living expenses. First, the land shareholding programme and the village collective management of rural land made it possible for business owners in Dongheng village and Wusi village to rent land from the village committee and expand their business. Second, business owners in Dongheng village benefited from their access to loans after registering the individual rights of the collective assets. Third, most of the business owners in Dongheng village and Wusi village could build on their existing business. With the reserved individual village boundary, the fish pools and businesses built on the farmland were not destroyed, unlike in Huaming town where the continuity of business was broken. Therefore, business owners could keep expanding their existing business rather than bearing the risk of starting over. Fourth, the business owner group benefited from the increasing entrepreneurial opportunities in Qingyanliu, where village committees responded to villagers and decentralised certain responsibilities to capable villagers.

Despite the improved access to land and capital for farmers in Dongheng village and Wusi village, and the new business opportunities in Qingyanliu village, most of the business owners after resettlement were those who had already been running their businesses, or who had accumulated urban related skill sets, before resettlement. The fieldwork found almost no cases where those with no off farm experience transformed themselves into

business owners or urban skilled workers. This shows that the urbanisation of people does not necessarily happen just because of the availability of financial resources and opportunities. Additionally, similarly to other groups in Dongheng village and Wusi village in Zhejiang, business owners and entrepreneurs' livelihoods were also enhanced because they continued to live in the previously rural communities, and did not have to bear the increased living expenses of urban communities.

9.1.3 Comparing the same groups across Tianjin and Zhejiang

This section compares the same social groups in different modes of state intervention, NSC and NRR, and explains how the state's different approaches to resource redistribution mechanisms shape the livelihoods of resettled villagers. The summary in the previous section showed that those with urban skill-sets are better off in an NSC approach to state-led urbanisation, while they are not much affected by the NRR approach. The post-resettlement livelihoods of the majority group in the state-led urbanisation, those with no or only limited off-farm experience, was improved by the NRR approach compared to by the NSC approach. Business owners and entrepreneurs' experience and livelihoods are also significantly better in the NRR approach than in the NSC approach. In comparing the role of the state, this section focuses in particular on the role of the village committee and organisation of local states. In terms of resource redistribution mechanisms, these include organisation of the labour market, compensation packages, land shareholding projects, as well as their impacts on the formation of new identity and membership.

It is not unusual to find social stratification in the same village after redevelopment, such as in Huaming where groups with more urban-related skills benefited more than those without. However, it is worth paying attention when similar population groups have very different experiences under different approaches to state-led urbanisation, as this shows the implications of particular forms of intervention for resettled farmers' livelihoods. Therefore, this section focuses on the groups that had the greatest differences in post-resettlement livelihood experience. The most interesting group is those with no off-farm experience, whose livelihoods deteriorated in the Tianjin case but were enhanced in Zhejiang. As well as this group, this section also discusses the business owner group and the group with urban skills. By analysing the reasons behind the different experiences of similar population groups in different contexts, this section draws out the effects of different modes of state intervention on the formation of labour markets, compensation, land related policies and identity shaping.

9.1.3.1 Those with urban skill sets better off in Tianjin

The livelihood implications for the group with urban skill sets was more positive in Tianjin than in Zhejiang. In Tianjin, those with urban skills sets are those who can work for the advanced manufacturing companies, banks, government institutions, and so on, who have already acquired education and urban work experience before resettlement. In Zhejiang, demand is higher for entrepreneurial skills and agricultural-related expertise; this is particularly relevant for those who could expand existing businesses or start new businesses, but who had lacked the capital to do so before redevelopment. The labour market created in

Zhejiang was thus suited to the majority of the villagers including the skilled, those with no off-farm experience and business owners, and was more inclusive and closer to the pre-resettlement background of most villagers. By contrast, in Huaming most entrepreneurs did not benefit from the resettlement process, because the conditions for business owners to expand or start new businesses were not created. As summarised in 9.1.2, business owners in Zhejiang benefited from two factors: first, the increased availability of capital released from the collectively owned village land and assets; and second, the newly developed economy, for example rural-tourism in Wusi village and e-commerce in Qingyanliu village.

9.1.3.2 Those with no off-farm experience better off in NRR approach

Those with no off-farm experience had drastically different livelihood experiences with NRR and NSC approaches to state-led urbanisation. This group benefited more from the NRR than the NSC approach, due to the important role of the village committee in the NRR approach, which eliminated livelihood risks and created livelihood sustainability.

As discussed in the previous section, those with no off-farm experience in Tianjin experienced deteriorating livelihoods after resettlement, particularly those in their 40s-50s, the elderly, and women. The same group also existed in the villages in Zhejiang, but the livelihoods of this group were enhanced compared to before. This section argues that it is the different livelihood setting, constructed by the different modes of state intervention within the NSC and NRR approaches that generated different synergies with the group, who shared a similar type and amount of human capital in farming. The factors that contributed to the different implications for livelihoods include the livelihood context, as well as the

interaction between human capital and the social context (labour market, land related policies and identity shaping) in the different locations. By comparing how the different livelihood contexts were formed, this section shows how the village committee reduced the livelihood risks and increased the resources for sustainable livelihoods in Zhejiang by taking the leading role of initiating, designing, implementing and adjusting policy during the resettlement process. By contrast, the failure to eliminate livelihood risks, stresses and shocks, as well as to create sustainable livelihood resources for those with no off-farm experience in Huaming town under the NSC approach was in large part due to the dissolution of the village committees and the implementation of only a top-down redevelopment plan.

9.1.3.3 Rural setting with no increased living expenses

The living expenses in the new resettlement community and the new income sources explain the livelihood experience of those with no off-farm experience in different contexts. Compared to Tianjin, the improved livelihood for those with no off-farm experience in Zhejiang can be attributed to the following factors: first, unlike in Tianjin, the living cost was not increased after rural redevelopment because of the preservation of the rural setting and the concentrated household plots of farmland; second, unlike Tianjin, the village committee acquired rental income collectively and redistributed it to villagers.

In terms of the first factor – reduced living expenses in Zhejiang, on account of the preserved rural setting and the concentrated plots of farmland – the three villages in Zhejiang had different approaches. The Dongheng village committee reserved a concentrated plot of land

for the resettled farmers to farm, and this was embedded in the resettlement plan. Before it was made available, villagers' previous farmland was not expropriated and was still available to farm, even after villagers moved to the new resettlement community. This forms a sharp contrast to the situation in Huaming town where villagers' farmland was expropriated even before they moved into the resettlement community. Although no construction projects were ready to be implemented, the land was fenced and abandoned, causing villagers to complain that the land was wasted. By reserving a plot of farmland for villagers after resettlement, the village committee in Dongheng village not only reduced the amount of shock during the transition period in resettlement, it also eliminated livelihood risks of food insecurity and reduced psychological stress for villagers in adapting to the new living environment.

Unlike Huaming town and Qingyanliu village, the village boundaries remained the same after the NRR approach to state-led urbanisation in both Dongheng and Wusi villages, including the administrative boundary, the institutional body (village committee) and the village membership. With the preserved village boundary and land, villagers continued to live on the plot of land that belonged to the village, together with other villagers who share membership of the same village. Resettlement is not the central theme in either of the two villages, particularly in Wusi village where there was no resettlement community. In Dongheng village, the resettlement community was based on village land where there used to be abandoned mines. Both of these villages took a rural-centric approach, which focuses on how to maximise the productivity of collectively owned assets. Not only does the

administrative boundary remain the same, it is still the village committee which takes the leadership role, organising village development.

The clarification of the collective property rights and the innovative land shareholding programme in these villages significantly enhanced the value of village membership by binding more dividends generated from collective assets to village membership. This is unlike Tianjin, where a sense of community was eroded. The increased financial value of village membership further generated a sense of pride in belonging to the village. With the preservation of the administrative and institutional boundaries, the collective assets were still managed by the village committee, and closed to other interest groups, similar to the situation before resettlement. The strengthened village membership secured the redistribution of dividends generated from the collective assets to individual farmers. Unlike the urban-centric approach, where rapid resettlement left only a very short period for the clarification and dissolution of collective ownership rights, the NRR approach focuses on the sustainability of collective assets.

9.1.3.4 Village collective ownership and sustainable asset income

In Zhejiang, the collectively owned village assets, collective ownership and the village committees were preserved because the individual village boundaries were reserved. The increased land shareholding income in Zhejiang can be attributed to the existence of the village committee and its re-organisation of collectively owned village assets. In Tianjin, by contrast, as a result of the NSC model, the village committee was replaced by the new urban neighbourhood committee to carry out the resettlement plan, and the individual village

boundary was dissolved due to the large-scale urban resettlement plan. This meant that collective ownership was transferred into state ownership with the dissolution of the village committee.

In terms of additional asset income created from collective village assets, in Wusi the village committee collectively sourced tenants for the rental land planned for economic development rather than individuals having to seek their own tenants to rent rooms as in Tianjin. This provided a more stable and sustainable income for individual farmers, therefore reducing livelihood risks and increasing livelihood sustainability. Similar to Wusi village, in Dongheng, the village committee rented out the collectively owned village asset and generated sustainable income for villagers. As a collective entity acting on behalf of individual villagers, particularly vulnerable groups, the village committee also has more bargaining power for resources compared to individual farmers. In contrast to the NSC approach where collective assets are decentralised to become privately owned assets, granting flexibility to groups with urban skills and leaving groups without urban skills unprotected, the NRR approach strengthens the bargaining power of the collective that owns the assets. This brings benefits to each villager who has membership of the village and redistributes the dividends generated by the collective assets in a more equal manner.

In short, it is the active role of the village committee and the existence of the village committee that reduced the livelihood risks for resettled farmers in villages in Zhejiang. The village committee was not preserved in Tianjin because the villages were reclassified as urban, so the form of government was shifted to an urban administration, including the

replacement of the village committee, and the setting up of the urban neighbourhood committee (with significantly reduced governance functions by comparison with the former village committees). The dissolution of collective ownership and the decentralisation of collective ownership rights to individuals in Huaming significantly compromised the negotiation power of the villagers. Unlike previously, where collective ownership rights were parallel to the state ownership of land, after being resettled to the urban context farmers stand as individuals where their legal negotiating power against other institutional parties is vastly reduced. In contrast, village committees in the three villages in Zhejiang negotiated favourable conditions for individual farmers as a collective entity with more bargaining power.

Nevertheless, the dissolution of collective property ownership creates increased flexibility and liquidity for groups with urban skill-sets, who are not dependent on the income from letting out their apartments, to dispose of their assets in a resource-efficient way, which fits with their own plans and choices. This also grants them the mobility to move out of the resettlement community. The increased flexibility and agency for the group with urban skills, and the decreased rights and benefits from negotiation for the group without urban skills, further enlarges the income gap between them, as well as the sense of social division. Even worse, when the group with urban skills move out of the resettlement community, the population left in the community is uniformly characterised by a lack of urban skills and experience, which reduces the diversity of the community. Furthermore, this identifies the resettlement community as a place where people are “left” rather than a place people would choose to live. The result is a loss of agency for those unable to move away.

The lack of a village committee in Huaming town state-led urbanisation project generated more shock and stress for the resettled farmers. First, the pace of transformation of Huaming from several villages of peri-urban Tianjin to a model town of state-led urbanisation has been extremely speedy, not only in terms of the transformation of the built environment and the industrial cluster, but also the livelihoods of rural residents. The relocation of the rural residents, as well as the transition of their productive activities, lifestyle and leisure time activities took 2 to 3 years to complete (Ma & He, 2015). The transition is multi-faceted, where the built environment is transformed from dispersion to concentration, and the industrial layout from agricultural to non-agricultural. The short time period of transition created shocks for the resettled farmers, while the inability to find urban employment created both financial and psychological stress. Second, the plan that was carried out by the new urban neighbourhood committee in Huaming town was a top-down approach, implemented without being specifically designed for the village context. It also did not resolve the conflicts between the villagers, which left them with no way to provide feedback beyond direct confrontational action. Third, although the value of possessed assets was increased in Huaming town, after the urban resettlement apartments exchange, most villagers were unable to sell them and thus could not benefit from the increased value of their assets.

9.1.3.5 Business owners are better off in NRR than NSC

Business owners and entrepreneurs benefitted from the new eco-economy and the new labour market created in Wusi village by the village committee with the NRR approach, and

in Qingyanliu village by the village committee which adapted the NSC approach. Unlike Tianjin, where the resettlement project expropriated the land on which the previous businesses were built, and generated livelihood risks and stress for the business owners, the intervention of the village committees in Zhejiang created more opportunities for business owners by responding to suggestions from villagers on the latest business trends, as in Qingyanliu village, responding to the market, and providing financing services and infrastructure for business owners.

On the other hand, the rural-centric NRR approach does not worsen the livelihood conditions for business owners and entrepreneurs. In Wusi village, which is still based on the rural village land with a plot of land to farm for household consumption, the insurance function of the land is preserved. Apart from generating sustainable dividends from the collectively owned village assets, which leads to proportional redistribution of the collective properties, the rural-centric approach also creates employment opportunities for farmers who do not possess urban skill-sets. Based in the rural context, enterprises in villages with rural-centric approaches often develop agricultural-related businesses, which create wage work for farmers whose skills can fit in, for example cutting and binding flowers in the greenhouse, laying bricks for the greenhouse, or guiding the tourists. Similar to the case of Kaili village, where Kendall (2015) demonstrates that rural villages are using their rural images as a strategy to promote their tourism businesses, Wusi village also aimed to attract urban and foreign tourists interested in the authentic rural life in China and the essence of rusticity. In contrast to Huaming town, where the income gap between groups with and

without urban skills is enlarged after resettlement, the rural-centric approach does not worsen the livelihood conditions for farmers without urban skills.

The continued existence of the village committee serves as an informal feedback channel where business owners specifically had input into the redevelopment process in the Zhejiang model, because of the retention of the village committees. For example, in Qingyanliu village, it was the business owner who approached the village committee about his idea of development of the e-commerce sector for the village. Furthermore, the village committees in Dongheng village and Wusi village also play an important part in the larger governance structure, which leaves space for villagers' autonomy and experimentation. Wusi and other villages took the initiative in experimenting with mobilising collective land rights; then it appeared in the county level "building harmonious rural home" campaign guideline.

In Qingyanliu village, which is based more on the NSC than the NRR approach, the role of the village committee was particularly important. The village committee identified the economic development opportunity of e-commerce, with assistance from villagers, and developed infrastructures to attract the initial batch of entrepreneurs, which not only brought rental income for the villagers but also influenced the young people in the village. The village committee in Qingyanliu village was crucial, because it responded to the market when the initial resettlement plan failed to generate rental income for the resettled villagers. It was the village committee that significantly improved livelihood conditions for the villagers by

creating rental income. Without the village committee, the resettled villagers faced livelihood risks of landlessness, food security and possible homelessness.

The co-existence of the village committee and the NSC approach in Qingyanliu village shows that, beyond the difference between NSC and NRR approaches, it is the role of village governance that is really key to successful development, particularly in the implementation of rural development plans. Therefore, it is crucial to consider the preservation of the village as an entity. The preservation of the village is inseparable to the organisation of local states in Zhejiang, where there is an interactive system where the upper level states (province and county) select models from below and the lower level states (village) apply to be chosen by the upper levels. The career promotion opportunity for the cadres in the selected model at each level reinforces the system and provides motivation for each level of the state. While Zhejiang province launched a new cadre evaluation system, Deqing county selected model villages. Despite the motivation and competition schemes operating at county level, as the socio-economic context and living standard of each village in Deqing county is different, so, ultimately, it is the responsibility of the village committee in each village to respond to the schemes. While some villages responded at a minimum level by fulfilling the requirement of cleaning the living environment and improving living conditions in the village, others went further and pushed through the development of an eco-economy in the village.

In Zhejiang, each level of the local state levels interpreted the policy framework from the upper level, rather than directly implementing the provincial level framework at the village level. In Zhejiang, the provincial level state developed the provincial level framework of

“beautiful Zhejiang” and linked it to economic development; in 2009, Deqing county promoted the “building harmonious rural home” campaign (中国和美家园 *zhongguo hemei jiaoyuan*) as an interpretation of the provincial framework “beautiful Zhejiang”. The establishment of the “building harmonious rural home” campaign has produced 10 villages as national model villages and 11 as provincial model villages. At village level, Dongheng village branded itself as the “best village in Deqing”. Each level of government therefore interpreted the policy in terms appropriate for that level. In contrast, Huaming town, at the same administrative level as Deqing county, was involved only in an upward competition, directly implementing the provincial level campaign, but did not set up a downward competition scheme for villages under its jurisdiction, due to the lack of grass-root governance units after the dissolution of the village committees.

The village-led redevelopment, observed in Dongheng village and Wusi village, is not an option for every village. This model requires access to resources and management. In terms of resources, it includes natural resources and financial funding. For example, development of eco-tourism would not be possible if Wusi village was not adjacent to Mogan Mountain, and one critical condition for developing the e-commerce industry in Qingyanliu village was the existence of the nearby international small commodities trade centre in Yiwu city. In contrast, it would be much harder for poorer villages, with less access to natural resources or not in the national development area, to repeat the success of village-led development in the three villages in Zhejiang, even if their village committees have excellent management and business development skills. Therefore, while redevelopment schemes might reduce intra-village inequality, they might actually also increase inter-village inequality.

9.1.3.6 Stronger rural identity in NRR compared to NSC

Further to the above comparisons, the formation of different types of labour market, land shareholding policies and the layout of the village space also have implications for the formation of villagers' new identity and village membership. In Dongheng and Wusi villages in Zhejiang, the redistribution of collective village assets is bonded to village membership, which means that only people whose previous *hukou* was issued by the village are entitled to a share of collective village assets. The consolidation of village membership has three dimensions, financial, administrative and cultural. The financial dimension concerns the preserved collective ownership of the village's collectively owned assets, which has been discussed in section 9.2.2 above; the administrative dimension is about the restructured village boundaries, as illustrated in section 9.2.2; and the cultural dimension relates to the new identity in the villages.

In Huaming town, the village membership lost its financial, cultural and social dimensions after resettlement. In terms of finance, during the resettlement, villagers obtained resettlement apartments through the villages they belonged to. While there is variation in terms of the amount of compensation for farmland, due to the relative location of villages to the resettlement community, the compensation guideline for villagers was identical, and it was the urban neighbourhood committee that matched the rural housing measurement to the distribution of new resettlement apartments. After resettlement, villagers do not receive any dividends generated by their former villages' collective assets, and their social welfare

also transitions to a new urban resident based standard, albeit less than that of the existing urban residents.

With regard to the social dimension, the reshuffle of villages in the new resettlement community and the loss of individual village boundaries indicate the formal loss of previous individual village identities. During fieldwork, villagers sometimes identified themselves and each other with the name of the new compound they lived in, in addition to that of their original village. Villagers thus gained a new aspect of formal identity after resettlement in Huaming town, although they very often continued to identify themselves with their original village in casual chatting. Villagers also mentioned their original villages to compare the compensation packages they each received. For those who were from the same original village, identifying themselves with the original village was an attempt to maintain a sense of belonging that is challenged by the move to the concentrated resettlement community. The original village to which they were attached is a bond that links villagers and what they share and have in common, but as these villages no longer exist, villagers' sense of identity and belonging is gradually decreased.

By contrast, in Zhejiang, the existing rural identity and village membership were strengthened. Administratively, as the value associated with village membership increased in Dongheng village and Wusi village, the village committees started to tighten the village membership criteria, so that membership can only be possessed by *hukou* with village residence, and once members give up their village membership in pursuit of urban *hukou* they cannot regain it afterwards. The increased barrier of the village membership creates a

sense of “us” and “them”, awarding members of the village financial dividends not available to outsiders, while the one-directional membership scheme decreases the risk of villagers leaving. This generates a strong sense of belonging and identity, and strengthens the sense of community in the village. Meanwhile, this strong bond and community encourages behaviours in line with village norms; therefore, it automatically cultivates an environment which promotes better behaviour by the villagers. Of course, at the same time, there is more negative impact for the migrants who work in the villages, who face increased barriers to integration into the social life of the village, but for the villagers themselves the effects on identity seem broadly positive.

9.2 Review of research questions

This thesis has effectively addressed the research questions that it set out to answer. The main question this thesis seeks to answer is: What are the impacts of two different approaches to state-led urbanisation on the livelihoods of resettled rural farmers? Specifically: first, who are the winners and losers in terms of post-resettlement livelihoods in each case study village? Second, what are the factors that affect and shape the post-resettlement outcomes in each village? Third, what are the drivers that formulate the factors and mechanisms affecting resettled villagers’ livelihoods? Fourth, what is the impact of the changing pattern of means of living on resettled rural farmers’ perception of their social status and the social stratification of their communities?

Based on the findings from the four villages, this research shows that the NRR approach is better at protecting the most vulnerable groups compared to the dominant state model, the NSC approach. The NRR approach benefited those with no off-farm experience and business owners the most, while NSC approach benefited the urban skilled workers the most.

Comparing the two approaches, in the process of increasing the worse-off groups' access to new forms of assets and employment opportunities, the village committee and the organisation of the local states in the NRR approach played an important role in mitigating conflicts, risks, stresses and shocks, as well as creating sustainable livelihoods by identifying industrial development trends. From the observation of Dongheng village, Wusi village and Qingyanliu village, the existence of the village committee was vitally important in preserving the collective economy, which protects the property rights of farmers, organising productive activities collectively on behalf of the individual villagers, and redistributing the collectively created value to individual farmers. This reduces the risks of impoverishment for the worse-off groups, from exposure to economic uncertainties and the imbalance of supply and demand in the local housing or labour market. The collective economy redistributes more resources through the asset component of livelihoods, and therefore creates a balance between the livelihood components that benefits farmers, particularly those with no urban skill sets.

This conclusion is complicated by the Qingyanliu case, where the village practised the NSC model but the village committee also played an important role in the development process, in responding to suggestions from villagers and developing the e-commerce industry. This confirms the importance of preserving village-level institutions and shows that doing so can

help even within a NSC approach (even if not as sustainable an approach as in Dongheng village and Wusi village). Therefore, a development model which preserves the rural villages, regardless of the mode of industrialisation or redevelopment, seems key.

However, reflecting on the introduction of this thesis, the type of development path the Chinese state has planned for next 10-20 years is the NSC approach, the Tianjin model, which develops the countryside by moving villagers to cities through large-scale resettlement, urbanising the village and villagers. As the findings from this research shows, the most vulnerable groups benefit least from the NSC approach. Therefore, important questions to consider include how villagers, especially the worse off groups, will adapt. The Chinese government is aware of this problem, hence it has emphasised “urbanising” the villagers (*shiminhua* 市民化). However, is “training the villagers to be urban” going to be enough given the lack of suitable labour market opportunities?

At least, the Huaming case shows that it did not work in Tianjin for two reasons. First, those with no off-farm experience did not possess the minimum skills, education or experience required even to enter many of the training programmes necessary for gaining urban employment. Second, although the state-led urbanisation programme created unskilled opportunities, for example cleaning and door-guarding, those with no off-farm experience were less likely to do the work due in part to their self-perception as superior to migrants, and in part to employers’ reluctance to hire them over younger and less costly migrant labourers. The result of a lack of additional income sources for those with no off farm experience is that they tend to get stuck in the resettlement community; in contrast, those

who secure well paid urban work can resettle to commercial apartments in the urban centre and move out from the resettlement community. This mode of urbanisation may lead to urban ghettos of resettlement communities deserted by all of the better-off people.

The Chinese state's urbanisation plan is still workable. As findings from Qingyanliu village suggest, what matters most is not the mode of industrialisation/redevelopment, but, rather, it is whether the development model preserves the rural villages and allows for the related context-sensitive adaptations of the development plan. It seems that different interactions between provincial- and county-level states in governance decision making processes and the cadre evaluation system are important for the existence of the village committee, as well as cadres' motivation. This research found that the preservation and empowerment of the village committee has a profound impact on protecting collectively owned property rights, and thus protecting the deprived villager groups, who do not have urban skill-sets. It does so by creating unskilled employment opportunities, and strengthening the collective ownership rights. The latter is particularly important, because it creates bargaining power and protects the most deprived farmers. When the collectively owned properties are decentralised to privately owned assets, bargaining power with other interest groups is lost, and thus individual farmers are exposed to the market and state.

Second, in terms of global issues in development, this research raises questions regarding the aims of rural development. Should rural development aim at helping rural people to become urban, and urban centres to benefit from the integration of rural surroundings? Or should it aim to benefit rural dwellers who remain rural, including the weakest groups, for

example poor farmers with no other skills? According to the global development literature (Greig et al., 2007), economic development benefits those with the human capital that fits the new development, and this is often the already better-off group. The most vulnerable groups are supposed to be a target and focus of development programmes, but they are often left vulnerable in a development process. The possession of various amounts of human capital, including educational background, urban-related skills and work experience, and possession of economic assets, including land, housing and cash, enables diverse capabilities for different social groups to adapt to the new mechanisms, including in the labour market, land market and business environment. Social groups with urban-related skills and experience benefit when the resettlement process creates more urban-related opportunities. The livelihoods of social groups with few urban-related skills and limited experience, by contrast, are enhanced when state-led urbanisation projects upgrade the agricultural sector and combine it with the service sector, accommodating agricultural work, rather than uprooting existing productive activities. Therefore, identifying a mode of development which benefits both better-off and more vulnerable groups becomes increasingly important, given the fact that the vulnerable group is usually less capable of adapting to new trends and protecting themselves.

9.3 Original contributions to scholarship

As briefly stated in the introduction 1.3, this thesis's original contribution to scholarship is fourfold: empirical literature, conceptual understanding, methodology the theoretical

framework. This section provides a more explicit and elaborative summary of the contribution.

First, for the empirical literature, this research has further implications for rural-urban studies and for future research focusing on livelihoods in a transitional context. In the existing literature, there is limited research on the behaviours of local states and the central state, the policy framework, and the funding mechanisms of rural redevelopment in China. Most of the existing literature on the role of the state examines either the central state, or the upper-level local states, at county and township level, rather than at village level. In the rare studies of village level governance units, the existing research focuses on their role in democratic elections rather than their role in rural development. In the theoretical debate, neither the sustainable rural livelihood framework nor the Development-Induced Displacement and Resettlement (DIDR) and Impoverishment, Risks and Reconstruction (IRR) models sufficed on their own to address the implications of state intervention for livelihoods during the transition of the livelihood context. This thesis expands empirical literature on China's urbanisation process by investigating an important but systematically understudies aspect of China's rapid urbanisation, the implications for livelihoods of displaced farmers and the livelihood in transition. This under-researched area is also policy relevance at local, national and global scales.

Second, at conceptual level, this thesis innovatively combines the theoretical insights of the sustainable livelihoods framework with the development-induced displacement and resettlement, as well as impoverishment, risks and reconstruction models. Linking the

empirical findings to theoretical debates, this thesis is the first attempt to combine the sustainable rural livelihood frameworks and the displacement frameworks. The sustainable rural livelihood framework was particularly useful for analysing villagers during the transitional process, while the DIDR and IRR model allowed for a comparison of how two different state approaches to urbanisation led to the generation and transition of livelihood risks and shocks. When it comes to the role of the state, this thesis particularly considers the motivations behind, and implications of, state intervention during state-led urbanisation. Furthermore, this study represents the first attempt to apply this mutually complementary and sophisticated framework to analysing the specificities and complexities of China's rural and urban development contexts, as well as the interplay of multiple social dynamics related to livelihood sustainability and security of the resettled villagers. This not only expands the scope for discussion on urbanisation in China, but also the global development process.

Third, methodologically this thesis innovatively formulates a comparative case study method comparing and contrasting, as well as identifying commonalities and differences, strengths and weaknesses of two major urbanisation-driven development paradigms, i.e. the "Building the New Socialist Countryside" programme (termed as the "urban-integration approach"), and the "New Rural Reconstruction" initiative (termed as the "rural indigenous development approach") through protracted in-depth ethnographic field studies conducted in North and Southeast China (Tianjin and Zhejiang). The comparison between two development modes unveils the linkage between governance and individuals' livelihoods.

The answers to the research questions of this thesis are also relate to much broader questions about the nature of development in general, in terms of whether the state should aim to benefit specifically the weakest social groups, for example poor farmers with no other skills, or if they should aim more generally at enhancing the economic development of the target area.

Fourth, with regard to the theoretical literature, the implications include those for the livelihood framework and for development studies. This research broadens the theoretical framework by incorporating an overlooked dimension of governance through investigating the role of the local state, in particular the village council, in policy implementation, adaptation to local conditions and its dealings with other actors below (e.g. villagers) and above (e.g. upper-level authorities) in the process of displacement, resettlement, negotiations, rural/urban change and transformations. As the literature review chapter shows, Ahlers & Schubert (2009) argue that NSC has been effective in achieving its main goal of improving rural incomes, reducing the rural population and transforming the countryside. They attribute the success to the high level of coordination between policy planning and implementation, but there is also a debate over the role of different levels of local states during implementation, including the county level (Ahlers & Schubert, 2009), municipal level (Ong, 2014), and the village level (Wang, 2009). The thesis argues that on the one hand, the incentive structure of the governance system has played a central role in reorganising and reallocating rural resources (the NSC model), while on the other, allowing space and capacity for village initiatives, led by the village committee, is crucial for the success of the rural development programme (the NRR model).

9.4 Limitation of the research and future lines of enquiry

There are three key types of limitations in this research, including generalisation, reliability and inaccuracy, as well as scope and time limitations. First, this research is not generalisable nor transferable to other parts of China let alone other parts of the world. The main reason is that there is huge variation in methods of state-led urbanisation and I did not see other parts even of Tianjin and Zhejiang, where there may be differences, let alone other provinces.

Second, in terms of reliability and inaccuracy, despite my best efforts, there is scope for me to have been given misinformation by informants: officials wanted to impress me, while villagers were used to having to follow a “script”. This is especially likely to have been a problem in Dongheng village, where I was introduced by the village committee to start with, since committee members might have introduced me to the villagers who were the most satisfied with the rural development process and avoided villagers who perceived that the standard of their livelihood decreased after resettlement. Some villagers also saw my interviews as a chance to raise grievances with the hope of my research would reflect their dissatisfactions and what they perceive as unfairness to the government. Moreover, people in general are often inaccurate about sensitive topics due to the worry of censorship and other political concerns, which is especially true in China.

The third aspect of limitation of this research concerns the scope and time limitation of the research. Especially in Wusi village and Qingyanliu village, as my visits were briefer, it was difficult to understand fully complex case studies in a short time as an outsider. Therefore I

would expect that there are features of the NRR approach to state-led urbanisation that are not captured.

However, despite the limitations, this research remains of value, which is reflected in three aspects. First, this research highlights different impacts between NRR and NSC approaches to state-led urbanisation, which may have relevance for policy development across China, despite broader non-generalisability. Considering the number of farmers involved in the rural redevelopment process, the study of their post-resettlement is valuable. Second, the value of this research also lies in the key mechanisms identified in the implementation of the state-led urbanisation, for example the important role of the village committee in planning, implementing and adapting the rural development plans based on the context of specific village, which has been overlooked in other research. The third aspect of value of this research lies in the focus group, resettled farmers, who are often neglected in studies of China's urbanisation, where most studies focus on rural migrants who participate in voluntary migration and have the ability to join in the urban labour market.

Moving on to the future lines of enquiry, a first question raised by this research concerns the theoretical literature on the sustainable rural livelihood framework, displacement and development globally, as well as rural development in China. As demonstrated in the literature review, the livelihoods framework has not been applied to the Chinese state-led urbanisation process. More importantly, although the framework embeds context in its analysis, it does not address the transition of contexts, not to mention the role of governance intervention in shaping the relevant context, institutional mechanisms and

livelihood components. My research uses the sustainable livelihood framework in combination with the displacement frameworks to solve these issues. The DIDR (and IRR) frameworks focus on the context of the case study, particularly the role of the state, while the livelihood framework examines the displacees' livelihoods. By bringing the two frameworks together, my research addresses the insufficient understanding of the relationship between state intervention and the individuals' and households' livelihood. My research also enriches the DIDR and IRR frameworks for understanding state-led urbanisation cases, because they have previously been used in the Chinese context only to analyse processes led by dam construction, rather than the much more widespread state-led urbanisation project.

Furthermore, the NRR approach to rural development processes has only weakly theorised the role of the village committee, and thus left a vacuum in our understanding of the livelihoods of resettled villagers. In my research, it is the village committee that resolves conflicts over overlapping farmland, calculates the size of the compensable farmland, comes up with redevelopment plans based on the socio-economic context of the village, and coordinates with the upper level local states. Therefore, a key implication for future research is that the combination of the sustainable rural livelihood framework and displacement frameworks could help identify the specific part of the governance structure, as well as the set of risks, stresses and shocks that are particularly important to the displacees, which is useful in adjusting state intervention and policy design.

With regard to the NRR approach to the state-led urbanisation process, this research raises more specific questions. Given the wide range of varieties of rural villages in China, including their socio-economic foundations, development demands and position in the national and regional development agenda (for example, the sharp difference in development priority of villages located in the eastern coast and in the western-central region), my case studies only scratch the surface of variations that exist across the villages. The comparison between other case studies of both NRR and NSC approaches in a broader range would reveal more dimensions and functions of the important role of the village committee, as well as exploring the deeper relations of market mechanisms and resettled villagers' livelihoods.

The case studies in this research are clear examples of the NSC and NRR approaches for two reasons. First, to construct a comparative case study, I selected villages for NSC and NRR approaches that are both based on the eastern coast of China, and similar to each other in terms of gross domestic productivity (GDP) per capita and the size of the village. Second, most of my case studies are model villages, either at national, provincial or county level. Compared to non-model villages, the selected villages in my research attracted both more financial and intellectual resources from the upper level states. In villages where resources are scarcer, the village committee might not have the space or flexibility to implement their plans; especially in villages where the natural resources are scarce, it could be increasingly difficult to upgrade an agricultural economy to an ecological and service-based economy. Also, the competition between villagers in obtaining redistributed resources could be fiercer, which leads to intensified collective action and violent interaction with local states.

Another question raised by this research concerns how identity-formation occurs in villages where villagers believe that they are better off than their urban counterparts. What does the identity of “rural” mean for them now? Does the rural identity imply rural entrepreneurship, rather than farming? Which aspects of the rural identity do they tend to associate themselves with, given the gradual elimination of the economic and social welfare difference between rural and urban identities?

This leads on to a final possible line of future enquiry, to observe the interaction of the local villagers and the newcomers to each village and the role of the village committee in shaping the new rural identity and reforming village membership. Particularly, it would be worthwhile to analyse the mechanisms and institutions the village committee uses to shape the village identity, including financial incentives, model household tactics, cultural mechanisms, and new discourses. Analysing these institutions from the perspective of the village would reveal a great deal about how the village collectively reaches consensus on identity, the evolution of rural identity and the consequent changing relationship of the rural-urban psychological gap. Studying the consensus reaching and decision making processes in the village could also help us to understand the potential democratic development process in China.

In summary, my research has laid the groundwork for future studies in three aspects: first, on the theoretical literature on displacement and development globally, as well as rural development in China; second, on the identity formation process in the rural area where

development has occurred; third, on the role of the village committee in shaping the new rural identity and reforming village membership.

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Appendix 1: Interview Question Guide

Resettled Villagers Interview Topic Guide

Interview Code:

Date of Interview:

Place of Interview:

A. Basic Information of participants	2
B. Employment situation	2
B1. Basic employment information	2
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B3. Questions for current self-employed resettled peasants	4
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C. Resettlement and compensation	6
D. Lifestyle and psychological perspective	6
E. Social status and perception	8
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A. Basic Information of participants

- 1 Name
- 2 Age
- 3 Gender
- 4 Membership of Communist Party of China

	Before resettlement	Now/after resettlement
5 Hukou status		
6 Education Level		
7 Family Background		
8 Location of the residence		
9 Number of household members migrates to work		

B. Employment situation

B1 Basic employment information

	Before resettlement	Now/after resettlement
1. Job title		
2. Industry of the job		
3. What do you do during the job?		
4. Any contract has been signed?		
5. How did you get the previous/current job?		
6. How many days did you spend in gaining the previous/current job?		

7. How many days per week on average do you work at previous/current job? (Days/week)		
8. How many hours per day on average do you work at previous/current job? (Days/week)		
9. What is your work schedule like?		
10. Are you actively looking for another job? If so, why?		
11. Have you taken part in any activities of labour union?		
12. Are you a member of the village committee/urban neighborhood committee?		
13. If say yes in the above question: do you see your membership is a privilege? In what way?		
14. Who will you be most likely to ask for help in your live or work if you are treated unfair?		
15. What is your household monthly income?		
16. What are your household monthly expenses?		
17. What is your income level comparing to the average of this community? City?		
18. Are you receiving of local <i>Dibao</i> (minimum living standards), how much?		
19. What are the procedures for you to receive local <i>Dibao</i> ?		
20. Are you also receiving any other benefits?		

B2 Questions for current wage earners

1. Does your company provide catering?
2. What type of salary or wage is your current primary non-farm job?
3. Do you have other income sources other than your current job?
4. What is the percentage of rent collecting in the composition of your monthly household income?
5. Do you feel your current job challenging?
6. Would you prefer doing the current job rather than the previous one?
7. Did you receive any training after resettlement?
8. Can you describe the job you are looking for?
9. What limits you from achieving the desired job?
10. What kind of training you think would be helpful?
11. Have you ever think of running your own business?
12. What mainly stops you from establishing your own business?
13. What is the impact of resettlement on your career path?

B3 Questions for current self-employed resettled peasants

1. How many people do you hire (excluding household members)?
2. What is the main reason for you to engage in self-employed business?
3. How much did you invest in the business when you started it?
4. How much did you borrow? (including from bank, credit unions or from friends and family members)
5. What was your primary job before operating this business?
6. What is the impact of resettlement on your business?
7. Do you have other income sources other than your current job?
8. What is the percentage of rent collecting in the composition of your monthly household income?
9. Did you receive any training after resettlement?
10. What kind of training would you like to attend?
11. What is the impact of resettlement on your career path? positive or negative?

B4 Questions for those who do not work at all currently

1. What do you live on?
2. Have you ever worked before?
3. When did you leave your last job?
4. What do you do while not working?
5. Have you been actively looking for a job?
6. If there were a job suitable for you, would you be able to work in two weeks?
7. What's the main reason for not being able to work?

B5 Questions for migrants

1. How much is the monthly fee for renting a one bedroom flat in this community?
2. Generally speaking, how much is the approximate monthly living expenses (including accommodation expenses) of an individual/ a couple in this community/village?
3. How far is the factory you work for?
4. Why do you choose to live here?
5. Who is paying for your current accommodation?
6. How is your relationship with the landlord?
7. How is your relationship with local residents?
8. How is your relationship with resettled peasants?
9. What do you think their attitudes toward you?
10. Can you give some examples?
11. Have you been back to your home village for longer than 3 months after migrating to the city to work?
12. If say yes in the above question: What was the reason for the last time you spent longer than 3 months in your home village after work in the rural area?
13. If you were still in your home village, how much do you estimate you could earn per month? (Yuan/Month)

-
14. How many times did you lose your job in the last 12 months?

C. Resettlement and compensation

1. What is the compensation package you received?
2. What is the compensation package you were informed before resettlement?
3. How do you access to your compensation package?
4. Which part of the compensation package you find the most useful? the least useful?
5. Are you satisfied with the way you are compensated?
6. How many properties you get from the resettlement process?
7. How did you get them?
8. How are you using the properties you get from the resettlement?
9. How do you feel about the resettlement process?
10. Do you feel your life is easier or harder after resettlement?
11. What is the biggest change before and after the resettlement process?
12. Is there any petition or collective actions in the village?
13. Has the changes on hukou status affected you?

D. Lifestyle and psychological perspective

1. Can you describe your daily routine?
 - a) Before resettlement
 - b) After resettlement
2. What is the big change in your daily routine?
3. Do you have more spare time after resettlement?
4. How do you arrange your spare time?
 - a) Before resettlement
 - b) After resettlement
5. Do you prefer the current lifestyle or the previous one?
6. What is your relationship with neighbours?

a) Before resettlement

b) After resettlement

7. Please describe your situation

	Before resettlement	After resettlement
Do you think you are respected by the society		
Do you think people around do not care about you?		
Do you think people around are trustworthy?		
Are there people around that you do not trust?		

8. Please describe your situation:

	During resettlement	Now/after resettlement
8.1 Do you sleep well? If say no, why not		
8.2 Do you always see things positively?		
8.3 Are you mentally under pressure?		
8.4 Do you think the daily life is interesting?		
8.5 Are you always down or depressed?		
8.6 How do you describe your own value		
8.7 Generally, do you think that most people are trustworthy?		

E. Social status and perception

	Before resettlement	Now/after resettlement
1 How would you describe yourself in terms of social status?		
2 Do you see yourself as an urban or rural person?		
3 Do you see yourself as farmer or worker or entrepreneur or landlord?		
4 How do you see your social position in the Chinese society as a whole?		
5. In the past 12 months, how many serious crimes/illegal acts were committed in this community/village?		
6. What do you think about the non-local residents here?		

F. Ending Question

1. How likely is it that you will move out in the next 12 months?
2. Do you know your new address?
 - a) Yes (Please tell us your new address)

Post Code _____ Province _____ City _____

(Street Name and Number) Telephone _____ / _____
 - b) No, don't know now.
3. When do you expect to move to this new address? Within _____ months
4. Why are you moving out?

5. Would you please provide us three contact persons with their details so that we may be able to keep in touch with you?

[OBJ]

	First person	Second person	Third person
Name			
Relation			
Province			
City			
Street Number			
Mobile phone			

End of Interview

Thanks for your cooperation!